

The NATIONAL UNDERWRITER

Life Insurance Edition

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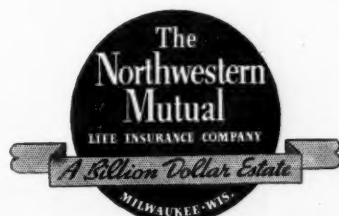
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ANNOUNCE DUPLEX PROSPECTING PLAN

The essential steps of the selling process are finding and qualifying prospects, organizing, cultivating, and interviewing. Northwestern Mutual sales promotion and advertising tools help agents to improve the *quality* and *quantity* of their work in each of these basic steps.

Nation-wide agency meetings this month have brought to Northwestern Mutual agents a new Duplex Prospecting Plan. Simple, powerful, and flexible, this plan is built around eight direct mail letters of a new type, tested for their effectiveness as need-developing and interview-winning tools. Used in conjunction with the other parts of the coordinated set of sales promotion and advertising equipment, this plan is helping agents to do a better balanced job in each of these basic steps of the selling process.



The assets of the Northwestern Mutual, as reported to state insurance departments, now total a billion dollars — a great estate administered for the mutual welfare and protection of more than 600,000 policyholders with over three and one-half billions of insurance in force.

FRIDAY, NOVEMBER 1, 1935



Motherless all day... his dad's insurance didn't provide money every month

YOU CAN LEAVE your family an income of \$100 EVERY MONTH if you're earning \$45 a week or more

THE UNION CENTRAL LIFE INSURANCE COMPANY
AMERICAN FAMILY SINCE 1847

...can secure your wife \$100 every month through all the years till your children are on their own. And then she'll have a fund for her own support as long as she lives!
This new kind of life insurance will let you arrange all this right now, even though your salary is uncertain.
The Multiple Protection Policy issued by Union Central Life... 60 years old, with over a billion dollars of insurance in force, covering all approved plans. Send the coupon now for a booklet on the Multiple Protection Plan.

To keep your family together... to cover the unexpected month after month... to let your children through school... to let your children through college... to let your children through business... to let your children through life... This is a fact to remember every year. Then a fact to remember every day. Your wife and your children are protected by the new Multiple Protection Plan which you can effect. Send the coupon at the right for a booklet that will give you complete information.

"Children ARE MY ADVANCE SALESMEN"


THE tearful little fellow in this advertisement is one of Union Central Life's best salesmen. Every father who noticed him in the Saturday Evening Post and Time Magazine last month instinctively put his own child into that photograph. He realized that someday—perhaps—his little boy might face the same situation.

R. P. MacDermott, one of Union Central Life's agents in Worcester, Mass., paid for \$312,714 of new business in the first six months of 1935. 62% of this was the Multiple Protection offered in the advertising.

Mr. MacDermott said:
"The children used in our advertising are my advance salesmen. They get into my prospect's home and tell him my story. That cuts down selling time . . . means more commissions for me."
 It means the same for other Union Central agents, too. Of the total new life insurance business paid-for in the first six months of this year, 44% was Multiple Protection.

The UNION CENTRAL Life Insurance Company

CINCINNATI




WE DO *Not* BELIEVE IN A COLD CANVASS MAKE IT Warm!

"Cold canvass" chills the courage of an Agent.

For that reason we place in the hands of our field representatives canvassing material aglow with the warmth of human interest and friendliness that attracts attention and extracts information, swiftly and pleasantly.


This is one of the big reasons the National Life and Accident Insurance Company is entering the home stretch and the American home with more business on its books than at any time in its history.

(There is a distinct and separate department in the Home Office whose only function is to help Agents find the way to new homes, quickly and directly, via advanced canvass procedure, radio, newspaper publicity, seasonal ideas—comprehensive, complete and unduplicated.)



The NATIONAL LIFE AND ACCIDENT Insurance Company Inc.

C. A. Craig, Chairman of the Board



HOME OFFICE
NATIONAL BLDG.
NASHVILLE
TENNESSEE
• WSM •
50,000 WATTS

W. R. Wills, Presiden

The National Underwriter

LIFE INSURANCE EDITION
A WEEKLY NEWSPAPER OF LIFE INSURANCE

Thirty-Ninth Year—No. 44

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 1, 1935

\$3.00 Per Year, 15 Cents a Copy

Field Complicated in Farm Mortgages

Retired Farmers Bidding for Paper
Compete with Life
Companies

A SUBSTANTIAL FACTOR

Maturing of Liberty Bonds Releases
Cash for Investment; Watch
Election Possibilities

NEW YORK, Oct. 31.—On top of heightened government competition for the life companies and other institutional investors in the farm mortgage field comes another group of bidders for the job of financing the farmer. These are the retired farmers whose investments in Liberty bonds have matured or been called.

An important percentage of these investors are saying "No, thank you" to the low-yield federal obligations which Washington is offering to those who have money to invest as a result of having to turn in their Liberties. Instead they are putting their money into farm mortgages. Familiar with local conditions and the business of farming, they are well placed to make shrewd investments in agricultural securities, although like any investor except the government they are up against the scarcity of good mortgages resulting from the flood of federal money in the farm mortgage field.

Hold Many Mortgages

Active and retired farmers, especially the latter, long have been heavy investors in farm mortgages. The reason for the preponderance of retired farmers results from the fact that as they grow old many farmers sell their farms, taking back a mortgage on it, and go to live in town. D. L. Wickens, agricultural economist Department of Agriculture, has estimated that at the beginning of 1928 retired farmers accounted for 10.6 percent of the entire rural mortgage debt of the United States, while active farmers accounted for 3.6 percent.

The federal government has become an increasingly important competitor to all other investors in the farm mortgage field. At first confined to helping a class of farmers to whom it would be economically unsound for life companies to lend, the government progressively expanded its operations to the better types of farm property. Dropping the interest rate to 3½ percent was another serious competitive blow to private investors.

Cash Offers Conclusive

The losing of mortgages to the government by life companies and other investors has been aggravated since the government started paying off matured mortgages in cash instead of bonds. Bonds could be refused but cash liquidates the contract according to its terms and nothing can be done about it

Twisting Process Still Is Quite Evident Today

USE ALL SORTS OF PRESSURE

Agents Employ Arguments and Devices
of Various Kinds When Business Is Difficult

Life companies, especially those of medium size and smaller, find themselves still sustaining a high lapse ratio. In fact all companies are confronted with the same condition, although the ones with a more seasoned business and not engulfed in the same competitive stream do not have a high ratio. An executive of one of the medium sized companies stated this week that in analyzing its lapses he was convinced that 60 percent of them were due to out and out twisting. The larger companies and those that are more seasoned are not subject to attack as much as others.

Business Difficult to Get

Business is difficult to get, agents have to work hard and they resort to every device to get applications. Therefore, if they have any argument against a company they do not hesitate to use it. For instance, in case of Illinois companies, be they the very best, the argument against such companies is employed because of the failures that have been in the state. Some agents of large companies will attack others on account of size. A company's type of investment may be used as the basis of a twist.

Many company executives in looking over the field find that agents in going from one company to another generally endeavor to switch their newest policyholders. Therefore companies are confronted with two twisting factors. The first is the agent who leaves a company and goes to another and endeavors to twist all the business he can that he wrote for his previous company, and the other is a general attack on any company by agents who may feel they have an opportunity to switch policyholders to their own institution. The waste caused by this twisting is enormous. Companies that are subject to it find that it is very insidious and difficult to control. The conditions of the times whereby life insurance applications come much harder contribute very greatly to twisting.

except to surrender a sound investment and hope for an end of subsidized competition.

Life company farm mortgage men are watching the approaching elections with interest, particularly in New York state and Kentucky. It is believed that an impressive show of strength by the Republicans will cause the Roosevelt administration to realize that outside of those directly benefited by the government's outlays the public is becoming concerned, if not panic-stricken, at the way the national debt is piling up as a result of present lavish spending policies. Such a rebuke, it is thought, would cause the administration to cut its spending down to a level of strict necessity, thereby eliminating much competition to individual and institutional investors in the farm loan field.

Immediate Group Annuities for Retirement Not Common

ARE USED IN SPECIAL CASES

Employers Frequently Avoid Large
Initial Outlay by Method of
Self-insurance

NEW YORK, Oct. 31.—While immediate group annuities to cover solely employees already retired or about to retire are issued by group annuity writing companies if the group is sufficiently large, very little business of this type is actually written, as it involves a large cash outlay and frequently the employer feels the odds are in his favor if he makes the payments as if the employee were still on the payroll. Thus, he not only is spared the necessity of laying out a large sum which he could profitably use in his business but he also stands to win if the retired employees show a higher mortality than the insurance companies' tables contemplate.

Used for Special Purposes

Sometimes, however, there are unusual circumstances in which an employer desires to provide this coverage through an insurance company. In one case a corporation was liquidating and going out of business and wished to assure its older employees of life incomes. In another case a corporation was selling out to another firm and wished to make the transaction without imposing on the purchasing corporation the obligation of pensioning the purchased company's retired employees.

In cases like the foregoing the annuity-writing company has to insist on a certain minimum number of lives. This may range from 50 to 100, depending on the employer's circumstances. Also there can be no selection of annuitants. All or none must be covered.

In the case of employees to retire in the future, the insurance company must know that a certain definite plan of retirement is followed. This is to prevent adverse selection against the insuring company.

Since companies are cautious in accepting this type of business, group pension representatives frequently encourage employers interested in this coverage to assume the risk themselves.

Buyers of Large Policies Classified for September

Brokers and officials of banks and real estate companies bought more large life insurance policies during the past month than did men in any other classification, according to an analysis of buyers of big policies made by the Lincoln National Life. Commercial travelers were second in this respect and wholesale buyers, third. Other occupations among the leaders in the big buyer classification were: Insurance agents, stock raisers, retail dealers, actors, and automobile factory officials.

Insured in Rush to Escape Gift Tax

Many Life Policies Being Assigned to Dependents Before
Jan. 1 Deadline

PROPER FORM ESSENTIAL

Advisable to Use "Love and Affection"
Clause to Avoid Creating
Taxable Income

NEW YORK, Oct. 31.—The rush to assign life policies to dependents to avoid the gift tax increases, which are effective Jan. 1, has focused attention on the desirability of making the assignment in a form that will result in the least complication and expense to the assignee. Hence, most companies are advising against use of the usual assignment form, which contains acknowledgment of receipt of "one dollar, and other valuable considerations," where the assignment is being made to a member of one's family and there is no money consideration.

Exposes Proceeds to Tax

Instead, the words "love and affection" are substituted for "one dollar and other valuable considerations" in the assignment form. Where a policy is assigned in return for a monetary consideration, the federal government has the right to demand that in event the insured dies the assignee include as taxable income the difference between the face of the policy, minus the consideration paid for it, and minus any premiums paid by the assignee after the assignment.

There is no real reason to doubt that even if the "one dollar and other valuable considerations" form is used in assigning a policy to a wife, child, or other relative where there was no actual financial consideration the Treasury Department would treat the assignment as a "love and affection" assignment and waive the payment of income tax that would be demanded if there had been a financial consideration. At the same time, since the necessity of explaining to the department just what the situation was can be avoided by making the assignment read "for love and affection" it is obvious the wise course is to eliminate any chance of complications, protracted correspondence, and perhaps legal expense.

Income Tax on "Profit"

The usual form, of course, must be used where there is no marital or blood relationship, and this involves payment of income tax on the amount of "profit" resulting to the assignee as a result of the insured's death. For example, suppose a policyholder assigns a \$10,000 policy, having a cash value of \$5,000, to someone for a consideration of \$5,000. The assignee pays premiums for two

(CONTINUED ON LAST PAGE)

Quality Business, More Adequate Income For Agents Urged by Coburn

Continuing his efforts to remedy the life insurance sales situation he so ably criticized before the American Life Convention, Arthur Coburn, vice-president Southwestern Life, presented many plain, unvarnished facts before the Austin (Tex.) Association of Life Underwriters' sales congress.

The public interest would be better served if about 10 percent of the life insurance bought was not sold, he declared. The poor persistency of life insurance is regrettable, he declared. The fact that \$14,000,000,000 out of \$105,000,000,000 of life insurance in force at the end of this year will terminate in 1936 is evidence that managers of life companies are not functioning properly on the selling side of the business. Only 75 out of 100 who buy life insurance this year will renew their policies in 1936. This not only involves a waste of the people's money, but it throws a heavy financial burden on the life companies. The companies in turn find it necessary to increase their premium cost in order to recoup. "The indifference or incompetence of managers in dealing with the retail distribution of business is to a measurable extent responsible for increases in public cost of life insurance," Mr. Coburn declared.

Heavy Turnover of Agents Affects Persistency

Life insurance would be better sold if there were not such a heavy turnover of agents. Analysis of one company's organization shows that only 22 percent of the agency force has ten years of service. Some companies have a better record, others have worse. One of the principal reasons for the heavy lapsation of life insurance is that the agents are hard up financially, declared Mr. Coburn. There are about 200,000 licensed life agents in the country. It is estimated that on the average they spend one and a half hours a day in soliciting. Agents are urged to increase their hours of solicitation and in view of the excessive number of agents an increase of the hours so spent would inevitably lead to still further increase in the amount of life insurance sold that had better not be bought.

Life insurance would be better able to fulfill its function if 10 percent of the life insurance bought were never sold. Lapses are merely a disappointment to beneficiaries. The good that life insurance can do is the amount of business maintained in force. It should be possible to sell only 90 percent of the new business now being sold and yet retain out of the total as much as is now being retained out of the larger volume. However, if the volume of new business were reduced 10 percent it would mean a still further increase in the personal financial difficulties of the agents. Public interest demands that less life insurance be sold and at the same time that life agents be more adequately compensated. This problem confronting the business seems apparently insoluble.

Gives Experiences of a Mythical Company

To illustrate his argument, Mr. Coburn told of the experience of a mythical company, the Lone Star Life. An analysis of its agency organization showed that the average agent sells insurance to 45 persons a year, for a total of \$75,000. An excessive increase in the average amount of insurance bought, which is \$1,650, might result in an increase in the heavy lapsation. This would do violence to public interest. The average rural agent, the Lone Star finds, requires a yearly production of \$75,000 to meet his financial needs, while the metropolitan agent must

average \$125,000. More than half of the company's agents are not making a decent living and in some other companies the situation is even worse, declared Mr. Coburn.

Of the 45 persons buying life insurance each year from the average agent of the Lone Star Life, 32 renew their insurance the next year. Of the 45 it appears that four or five are not warranted in buying the insurance in the first place. If this insurance were not sold to them, and the public interest demands that it should not be sold, the immediate effect would be to reduce the earnings of the agents. The solution of this problem of better serving the public interest and at the same time increasing the earnings of the average agent, is not easy and many years of continuous effort will be necessary to effect a satisfactory solution.

Average Policy in Force for Seven Years

The average policy of the Lone Star Life is in force seven years. Public interest demands the company should sell a more persistent business. If policies could be sold so that they stayed in force an average of 11 years, this would have a beneficial effect on the financial position of the company. It would mean the reduction of mortality from 50 to 40 percent. In the case of older established companies the relative reduction in the rate of mortality would be less.

There is no adequate appreciation of the financial effect on a life company of increasing the average duration, said Mr. Coburn. The 100 largest companies earned an interest rate of .3 per-

cent less in 1934 than in 1933. Such a reduction is without precedent in the history of life insurance and presents to management a problem novel in character. An increase in the average duration of policies in the Lone Star Life by three years would have as great financial effect as an increase of .5 percent on the reserve funds.

Further analysis of the agency organization of the mythical Lone Star Life shows that 90 percent of the agents sold their business so that it stayed in force nine years and 10 percent of the agents have brought down the general average to seven years. Superficial consideration of the situation would prompt the elimination of 10 percent of the agency organization, but many of the agents writing non-persistent business have been in service for years and their arbitrary elimination would tend to destroy the morale of the entire organization. The effectiveness of an agency organization depends upon its morale, said Mr. Coburn.

Anticipating some of the problems that would arise in the retail distribution of the business, the Lone Star Life adopted in 1929 a program of reducing the size of the agency organization. Reduction in the number of new agency appointments was depended upon rather than the elimination of existing agents. The organization has now been reduced to one-half of its former size without adversely affecting the production of new business and with a marked improvement in the average earning capacity per agent.

It has been suggested that the solution of the problem of better distribution depends upon the cooperation of

the managers of the various life companies. However, the managers are a very mixed group, diverse in character and so constructive cooperation in the public interest is difficult to achieve.

Naturally every well conducted life company desires the cooperation of other companies, for this is in public interest. Nevertheless if some companies that are endeavoring to secure a more persistent business are unable to secure the cooperation of other companies, this situation does not necessarily retard progress.

Due to conditions that have arisen outside the business, it appears that the future is going to lie with those companies that are endeavoring to secure more persistent business. These companies will be placed in a relatively strong competitive class. While life insurance is undoubtedly far too competitive, said Mr. Coburn, competition to excel does no violence to the public interest. The company which makes a claim of leadership in the life business will find it difficult to maintain it unless it secures a more persistent business. Leadership is not only a privilege but a responsibility to support all that is best in life insurance. Thoughtful students of the business will admit that the glorification of volume of new business is the curse and tragedy of American life insurance.

Stringent Competition Not in Public Interest

By the expenditure of additional sums in agency development, by an enlarged program for the appointment of new agents, by an aggressive campaign for new business, a company can substantially add to the amount of new business sold in 1936. But consider what the effect will be on other life insurance companies. If one company increases its agency expense, cannot other companies correspondingly increase their agency expense? "Would such competition be in the public interest?" asked Mr. Coburn.

"The state assumes in granting a franchise that the life business will be conducted in the public interest. Public interest demands that no program of agency development shall be adopted that is detrimental to other life companies as it would inevitably force an increase in the premium cost of life insurance to citizens."

When a man contemplates entering into an agency contract with a life company the first question he should ask himself is what is the character of the management of that company, said Mr. Coburn. "Buyers of life insurance cannot be expected to make investigation of the character of the management, but such buyers assume in dealing with an agent that the agent has satisfied himself as to the character of the management."

"Agents have been trained in the past that legal reserve life companies cannot fail because they are under state supervision. The theory of state supervision is sounder than the theory of federal supervision, but the practice of state supervision is capable of improvement. Life companies do not fail because of state supervision. They fail because of the inadequacy of character of managers of the companies."

"The deplorable number of failures of legal reserve companies is a matter of general regret. There is no assurance that there will not be further failures. The most effective protection to the public is that agents should make adequate investigation of the character of managers. Not only do agents owe this to their public but also to their wives and children."

Efficiency Marks Millionaire's Successful Sales Methods

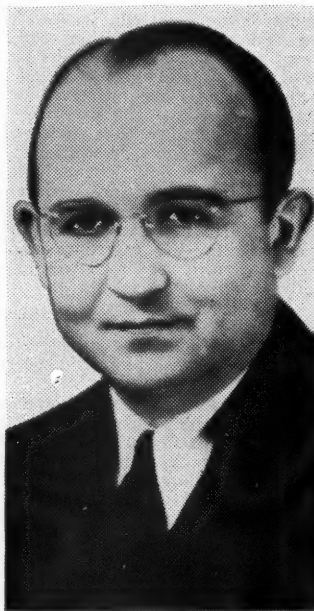
To produce a million dollars a year in life insurance is a real achievement, but when it is done by an active general agent it is remarkable and the methods used by Ed A. Hasek, Kansas City, Mo., general agent of the National Life of Vermont, in reaching that goal are unusual for their efficiency and direct results. Production of so large an amount of business while discharging successfully his responsibilities as a general agent means that Mr. Hasek had to have a high percentage of sales in a small number of tries. He averages a sale out of every two and one-half interviews.

Every Interview Serious, Direct to the Point

Although he prospects all the time and develops most prospects from contact, he never goes into an interview unless he expects to sell the prospect. He is always equipped with a prepared illustration to meet a prospect's particular situation. Mr. Hasek practices the theory that unless he can, in the proposed interview, meet the prospect's needs, and unless he has the assurance in his mind that a sale can be made, he won't interview. If he hasn't a "closing interview," he doesn't go out and conduct one "just for fun." The result is that he never solicits or bores a man with a passive interview. If an interview cannot be held on that basis, he prefers to take the time to develop more contacts and prospects.

Consequently, every interview Mr. Hasek conducts is serious and direct to the point, and that sincerity and en-

thusiasm is radiated to the prospect, which, he believes, makes his percentage of sales to interviews so high.



E. A. HASEK

In a word, he tries to conduct interviews as a winning football team conducts its plays—he calls winning ones. (CONTINUED ON PAGE 7)

For Air Passenger Not "In Aeronautics"

U. S. Supreme Court Refused to Review Case Involving Double Indemnity

FACTS IN THE DISPUTE

Companies Now Generally Cover Passengers Who Use the Regular Scheduled Airplane Routes

NEW YORK, Oct. 31.—While not in any way passing on the merits of the case, the United States Supreme Court this week refused to review the decision of the federal court of appeals in St. Louis that riding as a passenger in an airplane does not constitute "participation in aeronautics" under the terms of a double indemnity clause. Many newspaper accounts of the action gave the impression that it constituted approval of the appeals court's decision. Actually this is not so. All it means is that by reason of a crowded calendar or because the case was not considered of sufficiently broad importance in comparison with other urgent cases, the court decided not to give the case its consideration. It is still possible that later, when its calendar is less crowded, another case involving the same clause may be the subject of a request for review by the U. S. Supreme Court and that it will consent to review the lower courts' decision and give a decision.

Not on Scheduled Flight

In view of the general trend by life companies to grant double indemnity coverage for fare-paying passengers on scheduled airlines the case would be of comparatively limited application even if the U. S. Supreme Court's action had been final. In this case the assured died while riding in a private plane belonging to his son. The distinction between riding as a passenger on an airline and in a private plane did not come into this case, but since it is now the policy of the Mutual Life of New York, against which the action was brought, to grant double indemnity coverage on passengers flying on scheduled airlines, it was said that the claim would not have been resisted had the plaintiff, Gregory, been riding on a scheduled flight.

Clause Not Generally Used

The double indemnity clause excluding "participation in aeronautics" is no longer generally used, because of the possibility of misunderstanding by the assured. Because of the rapid development commercial aviation in the last decade many policies now outstanding have clauses similar to this one, which reflect an attitude toward aviation comparable to that held toward submarine expeditions or free ballooning. Court decisions on the various clauses are numerous and varied.

The case which the U. S. Supreme Court refused to review was that of Gregory vs. Mutual Life of New York. It originated in a state court but at the request of the company was transferred to federal district court, where a decision in favor of the company was given. This was reversed by the federal circuit court of appeals.

ACTION OF THE LOWER COURTS

WASHINGTON, D. C., Oct. 31.—Double indemnity provisions of life policies apply in the case of accidental death of the insured while a passenger in an airplane despite any provision in the

(CONTINUED ON PAGE 7)

Government Tendency Now Is to Tax Irrevocable Trusts

RECENT CHICAGO CASE CITED

Under Arrangement 10 Years Old Heirs Instructed to Include Trust in Tax Return

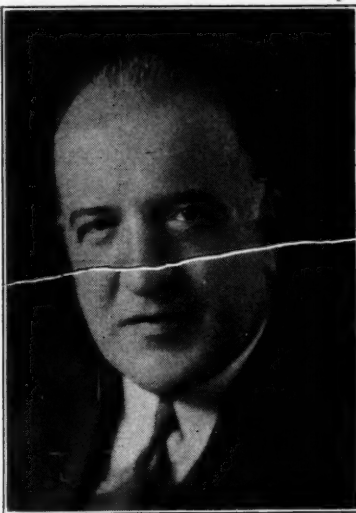
Food for thought is found in action of the government recently in Chicago which indicates that irrevocable trust arrangements may be taxed, although heretofore they have been considered immune from estate tax levy. This is of vital concern to life agents, many of whom have been very active since the 1935 United States revenue act was passed in making arrangements for wealthy individuals by which through irrevocable trusts they could considerably reduce the depreciation of their estates in event of their death. With the greatly increased gift tax going in effect Jan. 1 many life agents are planning to devote the last two months of the year to effecting as many of these irrevocable trusts as possible.

In the Chicago case the large estate of a wealthy manufacturer was inherited by several sons, one of whom headed the manufacturing business. The father some ten years ago arranged an irrevocable trust, including about 80 percent of his estate. He died a year or so ago. The sons in making return for estate purposes did not list the portion of the estate held in irrevocable trust.

Instructions from Washington

As is the custom, the government sent an inspector or auditor to check up, he bringing the news that he had instructions from Washington to inform the sons that they must include in their return the amount of the irrevocable trust. This was done and the government tax

Equitable Official Again Heads Insurance Institute



W. J. GRAHAM, New York City

Vice-president W. J. Graham of the Equitable Life of New York is again head of the Insurance Institute of America, which conducts educational courses in all lines of insurance throughout the country. Mr. Graham has proved a most acceptable official and has given the organization much time and thought.

bill charged on the trust portion of the estate as well as the remainder. The matter is still in litigation.

A Chicago life insurance man who received the information confidentially from one of the sons, states the govern-

(CONTINUED ON PAGE 7)

Nonmedical Shows Favorable Results

Survey of American Life Convention Companies Reveals Generally Good Ratio

ONLY ONE UNFAVORABLE

Some Find Mortality Better Than on Medically Examined Business, Chart Indicates

More American Life Convention companies write non-medical life insurance than did in past years, it is shown in a study of non-medical underwriting practices and experience of member companies being distributed in pamphlet form. There were 23 of the companies not writing this form listed in the non-medical chart in January, 1931, but only 14 now do not write it.

Eighty-two out of 116 companies writing this insurance reported experience unqualifiedly favorable, five very favorable, five better than medically examined business, one equal to medical, one twice as favorable, two "satisfactory," one favorable except for first three policy years and at older ages, one "apparently favorable," one fair, and six noted favorable experience up to ages 35 or 40, a total of 105 satisfied with results. Only one company reported experience unfavorable, and four worse than on medically examined business. Four noted entrance into the field so recent that results were inconclusive.

Col. C. B. Robbins, manager and general counsel, commented that all except three companies report they require inspection in every non-medical case. One company does not require inspection up to \$2,000 when the business is written by seasoned agents; one does not usually require it for \$1,000 or under. It was found 110 companies wrote double indemnity on sub-standard and two did not; 85 wrote disability waiver but two did not; 88 did not write the income disability clause, but 25 did.

It was found that 98 companies issue substandard on account of occupation and 15 do not; 53 companies issue substandard on account of overweight (or underweight) whereas 60 do not. The last page of the chart gives statutory limitations or restrictions applying to non-medical insurance.

Montana Life Building Not Harmed by Temblors

"Enduring as the mountains" is still the slogan of the Montana Life after the Helena earthquake. The home office is doing business—perhaps not quite as usual, owing to jittery nerves, but this is the only exception.

The \$250,000 home office structure was not damaged one iota. Not a book, nor pen nor pencil, nor any other object was moved from where it had been placed. In 1924 the foundation was blasted out of the solid bedrock of old Last Chance Gulch and the reinforced concrete-steel structure was built to last.

Only nominal damage was done to properties in Helena on which the Montana Life has loaned money, but three properties on which it only recently declined to loan, are badly harmed.

Social Security

Governmental pensions under the present Social Security Act necessarily are at the minimum subsistence figure, and many classes of our population are excluded. It may be expected that the Government's sponsoring of the principle will so popularize it that there will be a heavy retirement income demand on the life insurance companies from the excluded classes, from recipients of the governmental minimum who are able to increase it, and from those who may be indifferent to what the Government offers. Social security therefore will neither deprive the life underwriter of his livelihood, nor diminish his income.

There is a general questioning by prospects about the scope of the Act. Few have read it, and most of them are thinking, until differently informed, that the plan has universal breadth. The life underwriter, if he would be master of retirement income interviews, should thoroughly study the analyses and explanations which are appearing in insurance journals and company publications.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

Department Officials Talk on the New Illinois Code

WANT A BROAD VIEW TAKEN

Insurance Director Palmer and Chief Deputy Nelson Give Some Observations at Agents' Meeting

At the annual meeting of the Illinois Association of Insurance Agents at Peoria, Insurance Director Ernest Palmer and Chief Deputy R. T. Nelson told about the revised code that has been introduced at the special session. Mr. Palmer at the banquet said that the debates in the house and senate and the various hearings on the previous code had been taken into consideration as were the controversial features brought out in other ways. The new code, he said, meets the situation as well as can be expected. He urged everyone to take a broad view of the situation, saying that it is necessary to look at the code as a whole and not some specific provisions which may not suit the critics.

He told his hearers that Governor Horner had been back of the department and the new code 100 percent. The governor, he said, had not interfered with the workings of the insurance department office in any way.

Deputy Nelson Speaks

Deputy Nelson declared that there are 24 examiners assigned to investigating Illinois companies. The department, he said, has made itself responsible for the companies in its own state. Much has been done, he said, in cleaning up a bad situation. He does not feel that any policyholders' interests are jeopardized in Illinois at present. He called attention to the fact that Director Palmer gave certain reasons for a code when he announced that it was being prepared that he regarded as pertinent. These same reasons, he said, are being used by officials in other states who are eager to have a similar codification of their laws carried out.

The Illinois insurance laws were passed in 1869 and Deputy Nelson said that with amendments and substitutions, no cognizance had been taken of the existing statutes and the effect of the changes on them. He characterized many of the insurance laws as ambiguous and illogical. The insurance laws, he said, need to be brought up to date and conform with modern conditions.

Two Insurance Leaders Are Heard at Boston Meeting

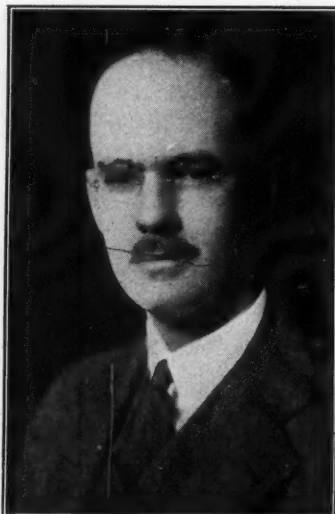
At the insurance conference at the annual meeting of the Associated Industries of Massachusetts, President S. Bruce Black of the Liberty Mutual spoke on workmen's compensation, citing the increasing cost of benefits because of increasing accidents, but holding that the cost is lower than it would have been under the old employers liability statutes. He said that the cost of compensation increased as the country went into the period of depression but it will decrease as it emerges.

Vice-president W. J. Graham of the Equitable Life of New York spoke on social legislation, explaining the new social security act and its possible effect on business. He said there is very grave danger if an exceedingly large reserve should be built up and put in control of politicians. He feels that there is also a danger in granting unworkable benefits. The question of constitutionality has also arisen.

Central Life Conference

Twelve midwest general agents of the Central Life of Iowa held a two-day meeting in Des Moines with John Leaver, vice-president and superintendent of agents.

R. Leighton Foster Is Opening His New Office



R. LEIGHTON FOSTER, Toronto

R. Leighton Foster, who has resigned as superintendent of insurance in Ontario, having occupied that position since 1924, has become general counsel of the Canadian Life Officers Association. He also will engage in consulting practice in fire and casualty insurance law and in loan and trust corporation law with offices at 302 Bay street, Toronto, Can.

John Appleton, secretary of the Canadian Life Officers Association for the last 15 years, and secretary of the Dominion Mortgage & Investment Association for 20 years, is to retire at the end of this year. The two organizations will be separated following the appointment of Mr. Foster. The boards of both directors felt that with the growth of business in Canada and the differences in functions of the two bodies there should be a separation. J. E. Fortin, assistant to Mr. Appleton, becomes secretary and treasurer of the mortgage association.

Includes All Canadian Companies

The Canadian Life Insurance Officers Association is the oldest insurance organization in Canada and has been established approximately 50 years. It is unique in that all companies doing business in Canada are members. The head offices of both organizations, as in the past, will continue to be in Toronto.

The Dominion Mortgage & Investment Association was started about 20 years ago by a group of life insurance, loan and trust companies interested in mortgage and other forms of investment. It now comprises most of the important lending institutions, and is an important influence in Canadian finance.

Mr. Foster corrects the statement that he was forced out of the department through political contingencies. He resigned voluntarily and the administration gave him the great honor of inviting him to suggest a successor.

Will Discuss Life Advertising

All phases of life insurance advertising will be discussed at the insurance group meeting of the Association of National Advertisers in Atlantic City, Oct. 27-30. A. A. Fisk, advertising manager of the Prudential, who is chairman of the insurance group, also is vice-president of the Insurance Advertising Conference.

Subjects to be considered will be "Methods of Copy-Testing," "Ways of Changing Copy in Order to Keep Consumer Interest," "Rates and Circulation," "Trade Press Advertising" and "Standards of Practice in Advertising." Invitations have been extended to insurance advertising men who are not members to attend this gathering.

Points Out Some Phases of the Social Security Act

W. J. GRAHAM IN AN ADDRESS

Equitable Life Vice-President Analyzes the Effect of the Far-Flung Program

Vice-president W. J. Graham of the Equitable Life of New York, in his address before the Industrial Relations Association of Chicago and the University of Chicago, in interpreting the federal social security act took the position that this plan of protection will probably remain indefinitely, whether this particular act is constitutional or not. This statement, he said, is based upon the reasonable supposition that public sentiment is favorable to old age assistance by the states and federal government and to some form of compulsory old age pensions, and in addition some form of unemployment benefits.

Ignorance of the Limitations

At the same time Mr. Graham emphasized the danger of placing too great reliance on the act as a means of completely eliminating the great hazards that threaten the individual in the matter of unemployment or dependent old age. He said that the good intended to be served by unemployment measures is threatened at least in degree by prevailing ignorance of the limitations of such measures.

Mr. Graham pointed out the fact that the public does not realize that the 9,500,000 now unemployed in this country will not receive aid from the act as long as they remain unemployed. No benefits can come to them except as they are absorbed in the labor market and subsequently suffer unemployment. The amount of benefit that an unemployed person will receive depends on the number of weeks he works prior to his next period of unemployment. The benefits provided would average about \$10 weekly for a period ranging between nine and 16 weeks.

Will Belong to Special Group

"If a period of depression such as we have been experiencing continues," Mr. Graham declared, "the employees covered under this scheme will belong largely to a special group of steadily employed persons who will, for the most part, remain steadily employed. Thus the number of persons eligible for benefits will likely be so small as to have little effect in increasing the purchasing power of the unemployed masses."

"On the other hand, if the mass of unemployed should be absorbed in the labor market during the next two or three years, they would all become eligible for unemployment benefits, and no unemployment law would long stand up against the early recurrence of a sudden and far-reaching depression such as we have come to know in the past five years."

Maximum Benefit Given

The public at large, the speaker said, appears to be excessively optimistic as to the ability of the social security act to supply adequate old-age benefits for the superannuated in industry. A fact that appears to be implanted in the public mind is that the maximum monthly benefit provided for superannuated employees is \$85. This maximum, it was pointed out, could only be attained if an employee worked for 43 years at a salary of at least \$3,000 each year. The average benefit payable during the next twenty-five years was estimated as something less than \$35 monthly.

"In introducing social insurance features in this country," Mr. Graham concluded, "we are late by many tests, but by no test should we introduce with the beneficial features any alien philosophies that the individual should cease his struggle for economic independence of his own making and lean on the state."

Western Conference of Commissioners Meets

The first meeting of the Western Conference of Insurance Commissioners was held at Phoenix, Ariz., last Friday and Saturday. The conference is composed of 11 Pacific coast and mountain states, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. Commissioner John J. Holmes of Montana is president; E. A. Smith, Jr., Utah, secretary, and H. C. Schmidt, Nevada, treasurer. The host commissioner was George Brown of Arizona.

Postpone Parley on Issue of Uniform Liquidations

HARTFORD, Oct. 31.—Because of the inability of certain members of the committee named by the American Bar Association and the National Convention of Insurance Commissioners to attend a scheduled gathering here last Thursday, at which an effort was to have been made to devise a plan for the uniform liquidation of insolvent insurance companies, the intended meeting was postponed to a later, undetermined date.

The idea of a uniform law to govern liquidations was first suggested by G. S. Van Schaick, while superintendent of New York in 1933, as a result of his experience in attempting to wind up the affairs of several casualty companies. Operating in many states, such assets as the concerns had in each were seized by ancillary receivers and used for the settlement of home state claims.

An appeal to the American Bar Association to cooperate with the insurance commissioners in working out a practical and economical method of dealing with liquidations in the future was made by Mr. Van Schaick and was discussed by commissioners at their annual convention. As a result of the agitation, committees of both bodies were named to consider the problem. These committees, in turn, named subcommittees, which were to have met here last week.

Missouri Lawyers Now in Move Against Credit Men

KANSAS CITY, Oct. 31.—The Missouri Bar Association has filed an injunction suit in the circuit court against the Kansas City Association of Credit Men alleging that the group is practicing law in certain phases of its work to collect and adjust claims. This means a move by the bar association against all businesses, industries, etc., that attempt to collect their own accounts.

Supreme Court in Colorado Passes on Gangster Policy

The Colorado supreme court holds that a gangster who was killed while violating the law does not come under the double indemnity provision in a life policy. The widow of Joe Roma, former Denver gangster, sued the Metropolitan Life, claiming double benefit for the death of her husband who was killed by a rival gang. The company denied liability on the ground that it was not responsible if accidental death was due to "result of a violation of the law by the assured." The court said, "Any contract providing indemnity for loss of life or property resulting from deliberate and intentional lawlessness is a contract to save one from this sort of attack upon the state and the courts will give no ear to a litigant whose claims spring from war upon society."

Joseph O. Stephenson, 61, one of the organizers of the Southland Life, died. He was a brother of the late James A. Stephenson, a former president of the company.

Set Date for Observance of Accident & Health Week

APRIL 20-25 IS SELECTED

Arrangements for National Observance Next Year in Hands of Joint Committee

The week of April 20-25, 1936, will be National Accident and Health Insurance Week. Announcement of the selection of those dates for the 1936 observance was made this week by Harold R. Gordon of Chicago, chairman of the joint committee representing all the organizations interested in the promotion of the sale of accident and health insurance, which was named some time ago to arrange the plans for the week.

The committee was unanimous in the belief that the spring is the best time for Accident and Health Insurance Week and careful consideration was given to various factors which might help or hinder the success of the week. The opening up of the season for greater use of the automobile and the increasing activity at that time in various forms of sport and recreation give an opportunity to tie in the activities of the week with the heavy accident toll both from the automobile and from recreational accidents. There is much less danger of being handicapped by bad weather than is the case earlier in the spring.

Every accident and health man should put a ring around those dates on his 1936 calendar, if he has one, or if not, as soon as he gets one. The phenomenal success of last year's observance promoted by The Accident & Health Review, with very little advance preparation in many cases, gives an indication of the possibilities of a nationwide movement along that line. The general committee probably will have another meeting in the near future. It is working out some definite and helpful aids for the producer, the agent or company and the local club.

Research Bureau to Conduct Two Management Congresses

John Marshall Holcombe, Jr., manager, and H. G. Kenagy, assistant manager, Life Insurance Sales Research Bureau in Hartford, will be the principal speakers at two management congresses to be held under the auspices of local managers' and life underwriters' groups. The first will be Nov. 18-19 at the Detroit-Leland Hotel, Detroit, under the auspices of the Detroit Managers & General Agents Association. The second will be Nov. 21-22 at Hershey, Pa., under the auspices of the Pennsylvania Life Underwriters Association.

Management congresses such as these have been conducted by the Research Bureau in a number of cities. They are open to managers and general agents and their assistants in agency building. Among the subjects for the two meetings are: "What's New in Recruiting?" "How Shall We Present the Job and Its Opportunities?" "Is There One Best Way to Train Agents?" "What About This Movement Toward Eliminating Part-Timers and Misfits?" and "How Are the More Successful Agencies Getting Business These Days?"

George E. Lackey, general agent Massachusetts Mutual, Detroit, and Louis Paret, general agent Provident Mutual, Philadelphia, are the chairmen of the local committees arranging for the meetings.

Benesch May Resume Post

A. A. Benesch of Cleveland may return to the post of director of commerce of Ohio Dec. 1. Mr. Benesch was appointed by Governor Davey to take office last January. Because of ill-

ness he never served, retiring July 1. W. P. Wagner of Canton was named to succeed him but it is understood that another place will be created for Mr. Wagner at an even larger salary, thus clearing the way for Mr. Benesch's return.

Prudential's Home Purchase Plan

The plan recently announced by the Prudential for marketing reconditioned homes, whereby the purchaser is required to make a down payment of but 10 percent of the purchase price and may pay the balance as rent over a long term of years, is meeting with signal success in Bergen county, N. J. Eleven homes have been sold recently, one of which was open for the public's inspection. The time payment as worked out, is similar to the FHA plan, in which a 20 percent down payment is required.

Detroit Men Are Winners

G. F. Lofthouse, Detroit agent of the Lincoln National Life, has been named vice-president of its Minute-Men Club. The president of the club is Morris Fishman, also of Detroit. The Minute-Men Club is the top honor club, membership being won by writing a specified large volume of business in the four-month period Aug. 15-Dec. 15.

RECORDS

United Benefit Life, Neb.—\$2,535,750 new life business written in September, an increase of \$463,600.

Indianapolis Life—Gain of over \$2,500,000 insurance in force for first nine months, gain in new business 13 percent.

Business Men's Assurance—Gain of 68 percent in paid business in September; 7 percent ahead for year in paid premiums.

Southland Life—September showed 23.7 percent gain in applications and a 23.3 percent gain in volume.

A. E. Peyton, Los Angeles, New England Mutual Life—Increase of 50 percent in volume of production of new business during the first half of October. Indications gain will be maintained during the entire month.

F. C. Wigginton, Pittsburgh, State Mutual Life—October paid business increased 101 percent over October, 1934; paid business first 10 months 127 percent increase, equalling paid total for entire year of 1934.

William J. Mack, Cincinnati, Northwestern Mutual—Ten percent gain over last year in life insurance production. W. J. Mack was appointed general agent one

years ago, succeeding his father, M. W. Mack, who retired.

Frederick Bruchholz, Chicago, New York Life—Ahead of top allotment on paid business as of Nov. 1.

The San Francisco office of the **Phoenix Mutual Life**, under Clarence W. Peterson, manager, which is engaged in a production contest with the Los Angeles agency, is maintaining a 31 percent lead over Manager Leon A. Soper's office.

Discount on Taxes

Insurance companies have been advised by the Pennsylvania authorities of a new law providing that those who before Dec. 15, 1935, pay taxes on gross premiums that are payable in 1936 will enjoy a discount of 4 percent on the amount of tax so paid.

Mayfield Made Chairman

C. P. Mayfield, manager of publicity of the Fidelity Mutual Life has been made chairman of the eastern round table of the Life Advertisers Association. The eastern round table will be held Dec. 10 at the Hotel Pennsylvania in New York City. President D. Bobb Slattery has called a meeting of the executive committee of the association to be held just prior to the round table session.

CLIENTS VS. CUSTOMERS

The outstanding characteristic of the professional concept in any line of activity is making the interest of the client a matter of paramount importance. A customer may find it necessary to have in mind the old legal maxim, "Let the buyer beware." A client may properly expect that he shall always have the benefit of the specialized knowledge and disinterested advice of the person he has retained to serve him.

Those of you here who have evidenced by your action a desire to put your business on a professional career basis must realize, therefore, that you are undertaking certain definite obligations and responsibilities and that you are embarking on a course which makes very specific demands upon you but which in turn has very definite benefits.

In getting a further picture of what these demands are, and what the benefits are it might be well to examine briefly the development of professions.

It is not mere chance that some types of activity developed into professions. They developed on professional lines largely because of the necessity in those lines for disinterested advice based on highly specialized knowledge.

In my judgment the complexities of the problem of an individual carrying any reasonable amount of life insurance under our present-day civilization have reached a point where professional service is absolutely essential in the solution of those problems.

—James A. Fulton
President, Home Life

If you would like a copy of this entire speech, write for the booklet "A Career or a Job" . . . or, if you are interested in other material which the Home Life has published in the interest of their "Career Underwriters", you may have a copy of any of the following booklets: "Client Building Through Estate Planning"; "The Making of a General Agent"; "My Daily Dollars"; "Planned Estates".

HOME LIFE INSURANCE COMPANY

256 BROADWAY ■ NEW YORK, N. Y.

ETHELBERT IDE LOW
Chairman

JAMES A. FULTON
President

C. C. FULTON, JR.
Agency Vice-Pres.

W. P. WORTHINGTON
Supt. of Agencies

To Home Office



ALFRED H. HIATT, JR.

HARTFORD, Oct. 31.—Vice-president S. T. Whatley of the Aetna Life announces that Alfred H. Hiatt, Jr., assistant general agent at the Chicago agency, will come to the home office as assistant superintendent of agencies. Born in Peoria, Ill., in 1902, Mr. Hiatt completed his preparatory schooling there and was graduated from the University of Wisconsin in 1924. He joined the Aetna Life's Peoria agency in 1925 as agent, and following several years' experience in that capacity was made supervisor under General Agent Lester O. Schriver.

In November, 1929, he was appointed supervisor at the Aetna's Life's Chicago office under S. T. Whatley, general agent there. His appointment as assistant to R. S. Edwards, general agent in Chicago, came in March, 1933.

Mr. Hiatt has been particularly active in selecting, training and supervising salesmen, in sales promotion work, and in the administration and executive phases of general agency work. He was elected president, for 1935, of the Life Agency Supervisors Association of Chicago, composed of assistant general agents, assistant managers and supervisors in that city.

HIATT IS GIVEN A FAREWELL

A. H. Hiatt was guest of honor at a celebration attended by about 70 members of the staff of the R. S. Edwards Chicago agency and two general agents from other cities, L. O. Schriver of the Aetna Life at Peoria, president National Association of Life Underwriters, and Herbert Florer, Grand Rapids general agent. Mr. Edwards on behalf of the staff presented Mr. Hiatt traveling cases and an engraved scroll bearing 100 names of associates. Movies of outings of the agency were shown.

Appointed Assistant Counsel

F. O. Affeld, 3rd, has been appointed assistant general counsel of the Penn Mutual Life at the home office. His father, F. O. Affeld, 2nd, is a prominent attorney in New York, member of Affeld & Richards, a firm which has a large insurance law practice. The grandfather, F. O. Affeld, 92 years of age, formerly was U. S. manager of the Hamburg-Bremen Fire.

Michigan Actuaries' Meeting

Occupational ratings and the effect of the size of companies on their premiums will be discussed at the meeting of the Michigan Actuarial Society in Detroit Nov. 11. Kendrick Stokes, statistician Michigan Mutual Liability, will speak on the first topic and Prof. W. O. Menge, head of the University of Michigan actuarial course, on the second. Discussions will follow both papers.

Introduce Illinois Code Bill; Set Hearing Date

FIRST EFFORT IN SENATE

Legislature, in Special Session, Considers Measure That Failed to Muster Sufficient Support Before

SPRINGFIELD, ILL., Oct. 31.—The proposed state insurance code—senate bill No. 11—will be considered at a senate committee meeting at 2 p. m. next Wednesday, Nov. 6, it was announced by L. O. Williams, chairman of the senate insurance committee.

The code bill was introduced in the senate Monday night by Senator Williams at the initial meeting of the senate, which, along with the house, was called into special session on that date by Governor Horner, who has listed 18 subjects for consideration by the assembly.

First Effort in Senate

Insurance Director Ernest Palmer, who has redrafted the code since the last regular session of the assembly, when the code bill failed to pass, said an effort will first be made to pass the new bill in the senate, and that, if successful there, the code will be sent to the house for further consideration.

At the last session the code bill easily passed in the house but failed to muster sufficient votes in the senate. Of the 21 bills introduced in the senate Monday night all but the code bill were advanced to second reading.

Mr. Palmer said the revisions consist chiefly of technical points.

INSURANCE DIVISION MEETING

A general meeting of the insurance division of the Illinois Chamber of Commerce will be held at noon, Nov. 4 in Chicago to clarify its position with respect to the insurance code and to discuss the possibility of arranging a meeting of business executives for combined attention to certain provisions of the code.

Also to review the progress made in final disposal of the Illinois health, safety and comfort law and the occupational disease legislation to be presented and to take steps, if desirable, to secure support for this improved legislation, and to approve or deny the position taken by the state chamber with respect to social security legislation with particular reference to unemployment compensation legislation and to arrange, if desired, further methods of combating passage of this act.

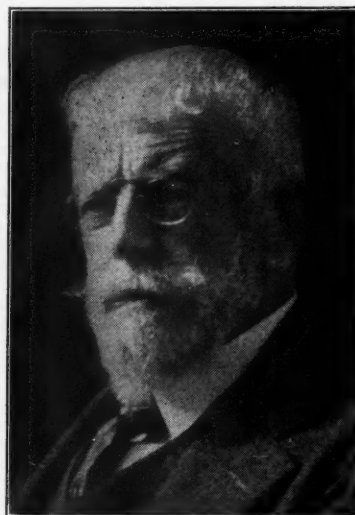
It will further discuss proposed driver's legislation with the intention of taking some definite action as to its procedure through the legislature.

Group Sessions to Be Held at Research Bureau Meet

One of the features of the annual meeting of the Life Insurance Sales Research Bureau and the Association of Life Agency Officers Nov. 11-13 at the Edgewater Beach Hotel, Chicago, is the series of group sessions at which each man meets with others from companies of approximately the same size as his. Five such groups meet under the leadership of members of the bureau staff and their deliberations will take up the entire program the afternoon of Nov. 12. Among the topics to be discussed will be the study of advertising costs recently made by the Research Bureau and the Life Advertisers Association and a new study on declined business which the bureau has just completed.

An informal dinner will be held the evening of Nov. 11. A special Armistice day program will be presented by the hotel. Representatives of the press have been invited to attend a luncheon in their honor on Nov. 12.

My Half Century



WILLIAM ALEXANDER

Harper & Brothers of New York have issued "My Half-Century in Life Insurance" by William Alexander, secretary of the Equitable Life of New York, he having been associated with that company since he was 21 years of age. In 1880 he became secretary and has held that office ever since. He was born in New York City, Sept. 5, 1848. Mr. Alexander has had a splendid opportunity to study the development of life insurance during the 66 years and he has been an acute observer.

Record of Author's Adventures

This book is neither a history of American life insurance, nor an autobiography. It is simply a record of the author's adventures as a laborer in the life insurance vineyard. And he has restricted himself as far as possible to what he has seen with his own eyes, like a witness in court who is not permitted to offer hearsay evidence, or like the soldier who tells of the part of an engagement in which he has fought, instead of trying to describe the battle as a whole. Thus he has dealt chiefly with the one company of which he has had most intimate knowledge and with which he has been continuously identified for more than half a century. And he has told a great deal about Henry B. Hyde, who founded that company, and with whom he was intimately associated for many years. To him this has seemed worth while, for he regards Mr. Hyde as the most remarkable business man he has ever known, as well as the life insurance executive who did more than any other man of his day to reform, stimulate and develop the life insurance business, thus paving the way for its practice under the perfected system which now prevails.

Plan "Ad" Conference Meet

The Insurance Advertising Conference executive committee has set Dec. 3 as the date of a one-day session at the Waldorf Astoria Hotel, New York.

Five major subjects will be discussed: (1) "Advertising Agencies and Their Relation to the Company"; (2) "Direct Mail Advertising"; (3) "Trade Paper Advertising"; (4) "National Advertising and Its Value"; (5) "What Properly Constitutes Advertising?"

Danforth Talks in Davenport

W. H. Danforth, chairman of the Ralston-Purina Company of St. Louis and a director of the New York Life, is to address a meeting of the Davenport Association of Life Underwriters while in Davenport to witness the Iowa state corn husking contest. He will also address the men in the New York Life office there of which Don Parker is manager.

Connecticut Department's Ruling Is Made on Tax

Commissioner Blackall of Connecticut has made a ruling on a tax question that has been a baffling one. He received an inquiry from a Connecticut company as follows:

"This company, being a Connecticut corporation, will have to pay a 2 percent tax on its net premium receipts for 1935, under the insurance company tax act of 1935, to the state treasurer of Connecticut. In view of this tax of 2 percent on premiums received by Connecticut corporations we would appreciate confirmation from you that companies ceding Connecticut business to us during the year 1935 will receive credit in their tax returns for such insurance. We ask for this confirmation so that we may advise our ceding companies of this important change and avoid any misunderstanding."

Ruling by the Commissioner

His reply was as follows: "The tax provided for in Chapter 66a of the 1935 cumulative supplement is specifically imposed upon domestic insurance companies and does not relate to foreign companies writing insurance in this state. This means that the domestic companies to which foreign insurance is ceded will be required to pay a 2 percent tax upon net premiums on insurance ceded by out of state companies. It is entirely reasonable therefore that non-resident and foreign companies receive credit for these premiums in their tax returns to this department on Connecticut risks ceded to domestic companies, and I so rule."

New Agency Formally Opened

The new agency of the Union Mutual Life in Providence, R. I., in charge of Henry T. Cook and Peter P. Cook, was opened on H. T. Cook's 33rd birthday. The home office was represented by President S. B. Phillips and W. L. Baldwin, superintendent of agents. Mr. Phillips was presented with a complimentary offering of 25 applications from the new agency, which was especially appreciated as October is set aside as president's month in the Union Mutual organization. The office was banked with flowers and was filled throughout the day with visitors who called to express their good wishes for the success of the new organization.

Edward A. Woods Co. Function

The Edward A. Woods Company of Pittsburgh, general agent of the Equitable Life of New York, will have a celebration at the Waldorf-Astoria Hotel in New York, Oct. 31-Nov. 1, it having been in existence 55 years. President Parkinson of the Equitable Life of New York will be one of the chief speakers. The Woods Company has a general agency comprising 62 counties that center about Pittsburgh.

Officers of the Equitable Life are joining with officers of the Woods Company in its unusual celebration, which will be attended also by all those individual Woods agents entitled to special recognition for the amounts of business that they have turned in. William M. Duff, who presides at the gathering, has been connected with the Woods organization for 40 years and became its president in 1928.

P. H. Ryan, vice-president of Alfred M. Best Co., in charge of its Cleveland office, is the recipient of a second medal of recognition from the Yugoslav government for services with the Columbia expedition ambulance corps in Serbia during the World War.

The newest decoration, the Cross of Mercy, was forwarded from New York by the Yugoslav consul there with a citation for excellent service with the Serbian ambulance corps, in 1915-1916. Several months ago Mr. Ryan was awarded the Serbian Red Cross medal in appreciation of war services.

Air Passengers Not "In Aeronautics"

(CONTINUED FROM PAGE 3)

policy that double indemnity shall not be payable if death be a result of "participation in aeronautics," under a ruling by the United States Supreme Court October 23. Rejection by the court of a petition by the Mutual Life of New York for review of a suit brought by Mary N. Gregory made effective a decision of the United States circuit court of appeals for the eighth circuit that the phrase "participation in aeronautics" does not include a passenger on a transport airplane.

The circuit court decision reversed that of the district court, which held that the company free of liability on the ground that "one who rides in an aeroplane as a passenger participates in aeronautics within the meaning of the terms of the policies." In seeking review of the case, the Mutual Life explained that there is a conflict between the various circuits as to the meaning of "participation" in aeronautics when applied to a passenger killed in an airplane crash, and cited 26 cases between the various circuits as to the meaning of "participation" in aeronautics when applied to a passenger killed in an airplane crash, and cited 26 cases between 1921 and 1934, in 15 of which recovery was denied.

Conflicting Federal Decisions

The U. S. Supreme Court's action has no effect whatever toward resolving the conflict between decisions given by circuit courts of appeals on the "Participation in Aeronautics" phrase. In the tenth circuit court of appeals, in an action against the New York Life involving the same wording, the court held that "we think there can be no doubt . . . that there is participation in aeronautics." No final decision on this type of wording as far as federal courts are concerned can be had until the supreme court consents to review a case involving this contested phrase. While a speedy decision would be desirable, yet it is also true that conflicting decisions of courts of appeals have been known to go unresolved for long periods, perhaps never getting final attention from the supreme tribunal.

Efficiency in Millionaire's Successful Sales Methods

(CONTINUED FROM PAGE 2)

not to make the down, but the touch-down.

Once on, he never gets off a case until he has closed it or determined it is not closeable.

Mr. Hasek does all his detail work, both for himself and for the agency, outside of working hours through use of the dictaphone. This leaves him free to sell or build his organization during those periods when men are normally conducting their businesses and are therefore "available."

He believes an agent must have a complete knowledge of his business, but this does not mean what it ordinarily means to most life underwriters. Knowledge of the technical phases of the business is important, but more important is the application of life insurance and annuities to the present life insurance trends and desires of those people who can buy. To illustrate, many business men, as well as life insurance representatives, assumed that business would be better when Congress adjourned, and this tended to cause them to delay and postpone activity. Yet every day Congress was in session Mr. Hasek sold more insurance. Congress was constantly talking taxes, and the advantages accruing to the purchaser of life insurance from the tax standpoint became more evident the more the lawmakers said. This made Mr. Hasek's arguments stronger at that time.

"I found it extremely easy to get into

any comparatively wealthy man's office if, when asked by the secretary what I wanted to see him about, I merely mentioned taxes," he comments. Every man with money (in other words, good prospects) was worried.

To further illustrate his conviction that the agent must know, to be successful, how life insurance can help men with problems created by current developments in business, government, etc., Mr. Hasek points to the fact that people today are thinking of the value of income not only because of the condition of investments outside life insurance but also because of the constant "object lesson" of aged relatives whom most successful men in these times are supporting.

These combinations of circumstances cannot help but impress every man with the necessity of taking some concrete action during his productive years that will assure himself of independence in his old age. This fear of a dependent old age is constantly being brought to the attention of thinking people—in the newspaper by daily newspaper stories, pictures, etc., in connection with the many federal and state social security pension plans. All this is application of life insurance to present trends, which create present needs.

"If the agent prospects at all times, constantly qualifies his prospects, and then follows through on this basis and only interviews when he is confident that the proposition he has outlined is the most logical plan for this particular prospect, he can't help but be utilizing his time to the highest degree of efficiency and with the best results."

Mr. Hasek firmly believes that permanent success in life underwriting is predicated on the possession, in the agent's own mind, of the long view of its possibilities, the satisfaction of service to others and himself, the hope of realizing everything he strives for—a beautiful old age, travel, etc. With this view he knows that if he functions properly day in and day out, there can be no question of his permanent success. Under such circumstances he can take the so-called daily punishment, the re-buffs, and disappointments, without affecting his morale.

Government Tendency to Tax Irrevocable Trusts

(CONTINUED FROM PAGE 3)

ment's attitude now is aggressive in collecting estate tax. It is passing the burden of proof in inheritance tax matters to the heirs. The Roosevelt administration has shown a disposition to plug up the loopholes through which wealthy men for years have avoided paying taxes of many kinds on large portions of their holdings. While the irrevocable trust arrangement, usually financed in large part by life insurance, in no sense can be considered an evasion of tax responsibilities, the Chicago case appears to indicate that the Internal Revenue Department is placing a different interpretation on the laws and previous rulings under which irrevocable trusts heretofore have been legally created.

The case is of especial interest since the trust was of long standing. It is common for the government to ignore trusts arranged in the two years preceding death, as it is construed in such cases there may well have been premonition of death and desire to make gifts to relatives in order to avoid estate and inheritance taxes.

Checks Unlicensed Operations

Superintendent R. L. Bowen of Ohio has addressed letters to the insurance departments in other states, asking them to notify him if any Ohio insurance company is detected soliciting business in any state in which it is not licensed. He gives assurance that he will endeavor to prevent any Ohio company from engaging in this practice.



Protect The Beneficiaries

One of the most interesting features of the discussions on the Tax Bill was the widespread and outspoken public demand for revisions and amendments that would protect life insurance beneficiaries; for it was apparent that the very purpose of a life insurance program was in danger of being defeated.

Inheritance taxes and such like matters are not the only dangers that beset the life insurance program. The seeds of defeat may easily be sown in careless planning or lack of knowledge on the part of the underwriter. To guard against this, consideration of "Women and Children First" is now an integral part of every Great-West Life Agent's training in selling and in conservation.

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE...WINNIPEG, CANADA

BEHIND
THE
WILL TO WIN
IN
RELiance LIFE

**Policyholder
Good Will**

**... How Reliance
Promotes It**

A LARGE percentage of the new business of Reliance salesmen comes from old customers . . . and this is no accident.

Reliance recognizes that the Company, as well as the agent, has a definite responsibility for keeping the policyholders satisfied with their contracts . . . keeping them "sold" on insurance . . . keeping their policies in force.

Here are some of the things the Home Office does to cultivate policyholder good will:

- Sends out personal greetings to new policyholders.
- Sends regularly to policyholders a human interest news magazine.
- Provides questions-and-answers folders which make service calls effective.
- Maintains contact with policyholders during the grace period.
- Maintains an unusual age-change record and suggests the proper steps for policyholders at age-changes.

All this and much more, worked into a comprehensive plan, puts Reliance squarely behind the agent in maintaining a maximum renewal income.



**RELiance
LIFE**
INSURANCE
COMPANY OF
PITTSBURGH

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Equitable Writing New Form

Participating Income Endowment Is Being Issued, With Dual Annuity Settlement Option

A participating income endowment now is being written by the Equitable Life of Iowa, \$10,000 face amount paying \$100 guaranteed monthly income at maturity on male lives. Minimum policy is \$2,500. Maturities may be ages 55, 60 or 65. The monthly income in all cases is \$10 per \$1,000 face amount. The policy maturing at 55 has guaranteed maturity value per \$1,000 of \$1,680; the one maturing at 60, has maturity value \$1,519, and the age 65 contract, \$1,372, for males, and for females, \$1,813, \$1,647 and \$1,488 respectively. A special dual annuity settlement is available. The rates and dividends at quinquennial ages are:

Per \$10 Monthly Income					
Age	65	60	55	Age	65
20	24.14	29.17	36.75	40	50.91
25	28.08	34.73	45.03	45	66.70
30	33.34	42.39	56.92	50	93.14
35	40.56	53.37	75.11	55	145.44

Dividend Scale					
Age 55 Maturity					
Age	1	5	10	15	20
20	4.69	5.39	6.39	7.55	8.76
25	5.17	6.07	7.33	8.65	10.16
30	5.99	7.15	8.96	10.34	13.31
35	7.22	8.64	10.65	13.53	18.72
40	8.40	10.42	13.15	19.57	...
45	10.62	13.62	21.25

Age 60 Maturity					
Age	1	5	10	15	20
20	4.57	5.10	5.86	6.74	7.64
25	4.96	5.63	6.58	7.55	8.70
30	5.63	6.49	7.52	8.79	10.11
35	6.57	7.54	8.95	10.44	12.52
40	7.33	8.68	10.42	12.39	17.14
45	8.58	10.36	12.61	17.96	...
50	10.77	13.27	19.55

Age 65 Maturity					
Age	1	5	10	15	20
20	4.49	4.89	5.49	6.21	6.89
25	4.84	5.36	6.11	6.83	7.74
30	5.41	6.07	6.84	7.82	8.84
35	6.19	6.89	7.96	9.08	10.22
40	6.74	7.73	9.00	10.28	11.54
45	7.68	8.87	10.38	11.87	15.72
50	8.92	10.48	12.35	16.57	...
55	11.13	13.19	18.09

Massachusetts Savings Bank Insurance Goes to 3% Basis

Massachusetts Savings Bank life insurance under direction of the Massachusetts insurance department is on the 3 percent reserve since Nov. 1. The new rates on the higher reserve basis are actually lower than the old rates for most plans. Increases appear only where interest accumulation predominates over mortality. This indicates that mortality has been very favorable among the class insured through the savings banks. The new rates for \$1,000 are:

Age	Ord. Life	20 Yr. Pay	20 Yr. End.	5 Yr. Term
1	11.41	20.58	43.54	...
5	11.64	20.85	43.54	...
10	12.15	21.29	43.54	...
15	13.36	22.73	43.67	...
20	14.85	24.44	43.85	8.11
25	16.72	26.48	44.11	8.57
30	19.11	28.91	44.51	9.19
35	22.19	31.84	45.17	10.08
40	26.23	35.45	46.31	11.44
45	31.64	40.09	48.39	13.65
50	39.00	46.25	52.06	17.60
55	49.09	54.73	58.32	24.26
60	63.10	66.78	68.62	35.15
65	82.72	84.45	85.10	...
70	110.46

Col. C. B. Robbins, manager and general counsel American Life Convention, is on a business trip visiting member companies in the central west and southwest. He was one of the speakers at the agents convention of the Southland Life in Dallas Oct. 30.

Issues "Double to 60" Form

Business Men's Assurance Announces New Whole Life Contract With Unusual Features

The Business Men's Assurance announces a new policy, "Double to 60," which is a whole life contract with level premium throughout. If death occurs before 60, \$1,000 in cash is provided and \$10 a month for 42 months, with options of \$25 a month for 213 months, \$75 for 57 months, or \$100 for 42 months, and additional options of longer payments if no cash is taken.

If death occurs after age 60, it provides \$500 cash and \$50 a month for 42 months, with similar options for varying amounts depending on the period of payment.

It gives a larger amount of protection during the years when the average assured needs it most and yet at the same time provides the face amount of the contract if death occurs after age 60.

Rates are as follows:

Without Disability					
Semi-Ann.					
With Waiver of Premium					
Semi-Ann.					
Age	Ann.	Ann.	Quar.	Ann.	Ann.
15	\$52.50	\$27.30	\$13.98	\$54.28	\$28.23
16	53.25	27.70	14.10	55.05	28.63
17	54.00	28.10	14.22	55.82	29.03
18	54.85	28.53	14.33	56.68	29.46
19	55.70	28.98	14.45	57.55	29.93
20	56.60	29.43	14.56	58.48	30.41
21	57.53	29.93	14.67	59.48	30.98
22	58.50	30.43	14.78	60.53	31.48
23	59.50	30.95	14.89	61.60	32.05
24	60.58	31.50	15.00	62.76	32.63
25	61.68	32.08	15.11	63.93	33.26
26	62.85	32.68	15.22	65.20	33.91
27	64.05	33.30	15.33	66.50	34.58
28	65.33	33.98	15.44	67.88	35.31
29	66.65	34.65	15.55	69.30	36.03
30	68.05	35.38	15.66	70.80	36.81
31	69.70	36.25	15.77	72.40	37.75
32	71.45	37.15	15.88	74.10	38.73
33	73.28	38.10	15.99	75.88	39.78
34	75.22	39.13	16.10	77.78	40.88
35	77.23	40.15	16.21	79.78	41.98
36	79.33	41.25	16.32	81.88	43.18
37	81.55	42.40	16.43	84.08	44.45
38	83.88	43.63	16.54	86.38	45.78
39	86.30	44.88	16.65	88.78	47.18
40	88.88	46.23	16.76	91.28	48.66
41	91.43	47.55	16.87	93.88	50.13
42	94.18	48.98	16.98	96.58	51.73
43	97.00	50.45	17.09	99.38	53.38
44	99.98	51.98	17.20	102.28	55.08
45	103.10	53.60	17.31	105.28	56.90
46	106.18	55.20	17.42	108.38	58.70
47	109.40	56.90	17.53	111.58	60.50
48	112.75	58.62	17.64	114.88	62.33
49	116.18	60.40	17.75	118.28	64.20
50	119.70	62.25	17.86	121.78	66.15
51	123.23	64.08	17.97	125.38	68.18
52	126.78	65.93	18.08	129.08	70.28
53	130.33	67.78	18.19	132.78	72.43
54	133.83	69.60	18.30	136.58	74.63
55	137.25	71.38	18.41	140.38	76.88

Limits Single Premium Forms

Equitable of New York Makes Changes in Life and Annuity Policies Now in Effect

New rules limiting the sale of single premium life policies and annuities were put in force Nov. 1 by the Equitable Life of New York. Limits for single premium life insurance, retirement and special life annuities, combined total on a given life or purchased by a single purchaser effected within any 12 months' period, are: (1) face amount of life insurance originally issued on or changed to single premium plan; (2) single premium retirement annuity considerations, and (3) amount of death benefit under special life annuity, limited to \$50,000, and not over \$100,000 effected within five years, including existing contracts and new ones. Against these limits with similar time limitations will be charged five times the amount of a year's premium under existing annual premium retirement annuities, endowments to run 15 years or less, and lim-

ited pay life policies with premium periods of 10 years or less.

There is a special limitation on single premium life insurance without medical examination in conjunction with annuities: Subject to the above limits, these policies will be issued without medical examination in conjunction with annuities only up to and including age 70, the usual age limit for insurance contracts (compared to 85 as before); the combined premium to be at least 110 percent of the face amount. Maximum total single premium shall be \$55,000 on a single life or purchased by a single purchaser and there shall be charged against this limit all single premiums previously paid under any single premium life insurance and annuity combination where medical examination was waived on the insurance policy. Also, against these limits shall be charged premiums currently payable or previously paid on contracts still existing, on the special refund annuities, single premium retirement annuities and all single premium endowment policies.

Issuance of single premium endowments with periods shorter than 15 years is discontinued. The issuance of single premium life insurance and/or single premium annuities, and payment of commissions thereon, absolutely restricted to regular Equitable representatives only.

Rates on Group Annuities Will Be Increased Nov. 15

HARTFORD, Oct. 31.—Life companies in the Group Conference will raise their rates on group annuities 5 to 15 per cent as of Nov. 15. Announcements to this effect have been made or will be made soon to agents by the Aetna Life, Travelers and Connecticut General. It is expected that New York companies will take the same action.

Increases will vary according to the ages of employees covered, and the type of pension plan, but will not affect contracts now in force.

The underlying cause for the move is that the table of longevity of annuitants is not proving satisfactory, inasmuch as the insured are living longer than it was assumed they would. Low interest rates on high grade securities have also influenced the decision.

Cincinnati Bank Insurance

The Fifth-Third Union Trust Company of Cincinnati has started advertising in the daily papers, stating that on all personal loans a life policy will be issued for the amount of the loan so that if the borrower dies the loan is repaid and his estate will not be obligated. The Morris Plan Bank has such arrangements as to life insurance. The insurance arrangement with the Fifth-Third is with the Prudential. The Credit Life of Springfield, O., handles considerable of the Morris Plan Bank insurance. The old Republic-Credit Life of Chicago invites this class of business. The Prudential is a large depositor with the Fifth-Third. The bank has 19 branch offices in Cincinnati.

Cushing Insurance \$250,000

Information on the insurance carried by John F. Cushing, president of the Great Lakes Dredge & Dock Co., who was killed Oct. 7 in the crash of an air liner at Cheyenne, Wyo., is made available this week. The amount is reported to be \$250,000, mostly on the ordinary life form and in six companies. These are: Knights of Columbus, Prudential, Equitable of New York, Fidelity Mutual, Penn Mutual and Mutual Benefit. Mr. Cushing is said to have died intestate, his estate of approximately \$500,000 having just been probated. He was 53 years of age.

The Chicago office of the National Life & Accident under Manager Fred Koehler is moving into new quarters in the Hyde Park Bank building, East 53rd street and Lake Park avenue.

Action on Federal Union's Management Must Be Taken

MIGHT BE REHABILITATED

Old Staff Is Out So That Company Could Be Revived with Clean Slate

CINCINNATI, Oct. 31.—Following the lifting of the receivership of the Federal Union Life of Cincinnati the affairs of the company have reached the point where some definite action will necessarily be taken looking to its future; as to whether it will continue in business, be sold out to another company, or taken over by the Ohio department, which now has its matters in charge.

If an honest and economical management could be secured, which at the same time would be competent, and if the Ohio department and the Reconstruction Finance Corporation would cooperate, there are some who believe that the company could still be rehabilitated. The trouble has been that for several years very little confidence was felt in the management. Aside from the fact that the company's condition was not reflected in its annual statement it has generally been recognized that its affairs have been mixed up in politics and statements were frequently made that the company was receiving "protection" from this or that political element, thus preventing a true statement of its condition being made public. However, the court which appointed the receiver eliminated most of the old official staff and the company for some time has virtually been in charge of a representative of the Ohio department. The prosecuting attorney of Hamilton county is now investigating the company's affairs to determine whether there have been any violations of the criminal law and if such should be found indictments will be returned by the grand jury.

Still Continuing Activities

The company is still continuing active business and maintaining a number of branch offices in Ohio and Chicago, especially for the monthly payment or industrial plan. Expenses of management have been heavily cut and gradually the doubtful investments are being cleared up. It is understood that the RFC, which has a loan secured by some of the company's assets, is considering whether it is willing to back rehabilitation. Estimates of the deficit in reserves after all the capital and surplus have been consumed have been placed as high as \$1,000,000. But this of course depends largely upon the ultimate realization on real estate holdings, which cannot be determined accurately at the present time.

The attitude of the Ohio department in the Federal Union case has been somewhat similar to that shown in the case of the Gem City of Dayton; the department has tried to get other companies to take it over without any lien on the policies. At one time it was proposed that three Cincinnati companies, the Union Central, Western & Southern and Ohio National, divide this responsibility but at that time it was felt that the cost of doing so would be too great, as estimates of the deficit in the reserves ran all the way from \$400,000 to \$700,000. It would seem that one of the most sensible ways of taking care of the situation would be to turn the company over to one of the other companies in Cincinnati, where the transfer could be made with less confusion and trouble than if an outside company were selected unfamiliar with the conditions. A contract could be made by which the policyholders would be protected by handling the business at the lowest possible expense, and after the investments had been worked out, the lien on the

policies could be reduced or wiped out. It is understood that an offer along these lines was made some time ago by the old officers to one of the Cincinnati companies with, however, the condition that they be given jobs, and on this account the company approached turned it down. However, if the Federal Union is not to be continued as a separate company, no doubt one of the Cincinnati or Ohio companies could handle the business to much greater advantage than could any one of a number of the outside companies which are now understood to be angling for it.

Opportune Time for Disposition

With the old officers out of the way, and the receivership lifted, the Ohio department is now in a position to find the proper solution of the Federal Union trouble. The difficulty in continuing it as a separate company is to find the right man or men who are experienced, careful and economical insurance men who are willing to tackle the job. Perhaps the best solution would be for the RFC to take control and thus prevent the company from being manipulated further as, in the wrong hands, even if it were put back on its feet, there would be the danger that manipulators and exploiters would, as soon as it was worth having, turn it over to

some company on a deal by which they and not the policyholders or stockholders would profit. There has been so much manipulation in the Federal Union that it seems almost hopeless to expect that it will receive the right kind of straight forward, conscientious management.

Barring its poor investments and more or less unsound management the Federal Union has made quite a record. It was organized in 1914 and at the close of 1934, after 20 years, it had admitted assets, according to the statement, of \$4,329,430, net reserves of \$3,287,892 and insurance in force including a number of groups and some monthly payment of \$34,845,285. If the company had had a strong financial management and entire honesty in the conduct of its affairs it would still be going strong with a good record behind it but the officers could not keep from manipulating its assets and made some serious mistakes, if nothing worse. To restore confidence, one or more men of absolute integrity and economical views as to expenses must be secured for the management and if these cannot be found clearly the company should be turned over to some other reputable company, preferably an Ohio one, to the end that the assets shall be conserved and its real estate and other holdings realized upon to the best ad-

vantage in order that policyholders be given the greatest protection.

ASKS FEDERAL QUIZ

A federal investigation of the affairs of the Federal Union Life of Cincinnati has been demanded by E. W. Pfizer in behalf of the Policyholders Protective Association.

Pfizer, in demanding a federal investigation, alleges that an incorrect and misleading financial statement was sent through the mails to various insurance departments in violation of the federal postal laws and is a violation of the federal bankruptcy law in issuing a statement as a basis of credit in solicitation of premiums in more than one state.

Mr. Pfizer has also requested the receivers of the company who were dismissed by the court of appeals to withdraw immediately in favor of the insurance department. Under the law they will operate the company until Nov. 17.

The Ohio department has requested authorization of the county court at Columbus to take over the company, but the judge has refused to grant authorization to date until the receivers retire. Apparently, if authorization is not granted, former officers of the company would take it over Nov. 17 to operate the company 10 days until it is taken over by the department.

NOT FOR THREE YEARS....

● has the Minnesota Mutual enjoyed in any single month the volume of new business received in September. New business during September, 1935, was 202% of that in the same month last year.

HERE ARE THE REASONS:

1. A Liberal General Agency Contract—
2. A Financing Plan for the Agency—
3. A Plan for Financing your men—
4. Unique Sales Helps—
5. A Policy for every purpose—juvenile, women, group, whole-sale, etc.—
6. A tested Organized Selling Plan—
7. A detailed plan for finding—training men—
8. A unique supervisory system—
9. Accounting methods for your office that tell you just where you're heading—
10. An understanding, co-operative, sympathetic Home Office—
11. An old substantial, Mutual Company—over 50 years—Not too big to know you — Big enough to command respect anywhere.

Interested? Then ask for our FACTS booklet!

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

SAINT PAUL, MINNESOTA

EDITORIAL COMMENT

Tends to Weaken Character

UNDOUBTEDLY the passage of the social security act and the tremendous amount of publicity that has been given to it, both during the time it was in the hopper and since Congress ratified it, have confused people as to its scope. The results have been to inculcate a growing feeling of dependence on the government and a weakening of the foundations of individual character and fortitude. The American citizen has always maintained good sense and a well balanced judgment. He has not been carried away with chimerical schemes.

However, since the federal government and many of the states took up the matter of social security, thousands of people have come to believe that they need not provide for themselves as they have been taught to in the past, but they can rely on the government to support them at the time of unemployment, old age, disability or other dependency. This has been unfortunate because it has tended to weaken the will

power and determination of people to forge ahead, to take care of themselves, provide for the rainy day. It has undermined the old characteristics of thrift. Seemingly we no longer have that feeling of self dependence and desire to look out for ourselves.

In our opinion we need to return to some of the old fashioned virtues and restore again the philosophy of thrift and independence that has made this country so notable in its progress and achievement.

Life insurance has been the vehicle to a large extent in the promotion of thrift, saving, protection of family, business and dependents outside of the immediate home circle. In our attempt to care for those that are sorely distressed, that are unable to provide for themselves, those who can carry on should not lose those splendid attributes of character that have been responsible for the well being of people capable of caring for themselves.

Salesmanship and Business Revival

WE wonder how much salesmanship of the aggressive type, and particularly insurance salesmanship, has to do with the revival of business after any major depression such as the one through which we have just passed. Certainly one of the greatest effects of a depression is to destroy initiative and enterprise, the spirit which keeps us up on our toes, gives us a bright outlook on life and keeps things moving which would otherwise stagnate and decay. Along with hard-hitting salesmanship goes advertising and these two proceed hand in hand to give the upward turn to the chin, the refusal to lie down because of temporary misfortune.

Aside from anything they may have achieved in the way of making sales, salesmanship and advertising of the right kind must be given a large share of the credit for keeping the business world on its toes, alive and ready to seize every opportunity to extend its service and to maintain the proper standard of living and personal deportment.

The world needs this force more than ever at the present time. In the face of the largely prevailing view that everything can be passed on to the government with the assurance that it can do things better than can private initiative, insurance men can do their part in reviving the national spirit by going after business with a vim. It is not wealth and the accompanying ease and comfort which make a nation great. The recovery of England as a leading force in world affairs is not due to her wealth, but to her indomitable spirit and breadth

of view. American business needs to show this spirit, following the clearing away of the debris of the depression.

MERLE THORPE, editor of the "Nation's Business," in a recent address before the CINCINNATI ADVERTISERS CLUB, struck this note and said that when the political fog is lifted, people would find that only through revival of hard-hitting and tireless salesmanship would it be possible to realize "the more abundant life" which we enjoyed previous to the depression.

"Bespectacled savants may sit around mahogany tables and plan prosperity," said he, "but when the job is done it will be found it has been done by none other than the business men, who are now so generally derided. It will be the salesman who, as always, will stimulate demand for new products and find the means of satisfying those desires. Suppose every salesman were to throw down his sample case, every sales manager give up his command, and every advertising and promotion manager lose his faith. Suppose all the brisk evangelists of all the good things of life called it a day and quit the country cold. Advertising, newspaper and otherwise, has given the American people the highest standards of living that the world has ever known. Take away this constant promotion pressure, through advertising, and their high standards of living would reach the vanishing point in a short time."

Insurance salesmen have always set the pace for salesmanship in other lines. They have done this, particularly in life insurance, because they have had to overcome obstacles in selling benefits

that accrue in the future, more or less intangible in the present, and more or less unselfish. They have had to promulgate the spirit of protection and security in competition with the desire for an easier and more enjoyable time in the present. Insurance men generally have been the leaders in aggressive and intelligent salesmanship.

Recently the writer attended a meeting of a summer residents' association in a small resort city. He was impressed by the suggestions, ideas and leadership

of the mayor of the small and rather sluggish community. This mayor turned out to be also the local agent of the SUN LIFE of Canada and it was easy to detect the inspiration and enthusiasm in the promotion of civic ideas which spring naturally from a first class life insurance organization.

The contribution which insurance men make to their communities often is much greater than the direct benefits which accrue from the sale of policies protecting life and property.

Great Service of Insurance

E. C. STONE, United States manager of the EMPLOYERS LIABILITY, in his presidential address at the annual meeting of the INTERNATIONAL ASSOCIATION OF CASUALTY & SURETY UNDERWRITERS stressed the desirability of using once in a while some figures and statistics to indicate the place that insurance holds in the sun. He said that 1,217,000 persons are actively engaged in the business and there are almost 3,600,000 dependent on it. This in itself creates tremendous buying power. The insurance business contributed \$825,350,849 over and above the expenses of the state insurance departments during a 10 year period to the general fund. During the ten year period ending Dec. 31, 1934,

the companies operating in New York alone paid losses and benefits amounting to \$30,981,475,517 as compared with \$24,521,843,000 expenditures of the federal government during a period of 124 years. From the inauguration at Washington down to the world war in 1916, there had been \$27,000,000,000 spent. During the present ROOSEVELT administration there has been \$24,206,533,000.

When one contemplates the use to which this tremendous sum paid by insurance has been placed, he is impressed with the fact that a vast work has been done through this medium in the way of alleviating distress, worry and loss, which could have been accomplished in no other way.

PERSONAL SIDE OF BUSINESS

W. T. Batchelder, for many years with the Equitable of New York and the Berkshire Life, is now manager for the Continental American in Albany, N. Y. Mr. Batchelder has charge of the development work there for eight counties about Albany.

W. H. Hecht, general agent Ohio State Life, Celina, O., has been elected president of the Kiwanis Club of Celina. He has been secretary of the club for the past four years. Mr. Hecht is one of the big producers of the Ohio State Life and has been a member of its Leaders Club for 14 years.

The funeral of Mrs. Dora C. Hagedon, mother of Roy H. Kerr, Detroit general agent of the State Life of Indiana and vice-president of the Associated Life General Agents, was held in Indianapolis Saturday. Mrs. Hagedon died in Detroit. Four of the pallbearers were life men: F. H. Sterling, secretary, and H. N. McClelland, treasurer State Life; W. W. Harrison, agency director, and G. C. Berggren, cashier of the New York Life. Mrs. Hagedon was a sister of former Mayor Lew Shank of Indianapolis.

The Burnett memorial ward of the Maryland General Hospital in Baltimore was opened recently as a memorial to the mother of Paul M. Burnett, president Monumental Life. Mr. Burnett had for some years the idea of building a hospital for crippled children and a corporation was formed for the purpose which had accumulated some funds.

A short time ago it was suggested that the funds on hand be devoted to

the building of a ward, connected with the hospital, particularly for the treatment of crippled children, which was done, the directors of the company authorizing the contribution of the amount necessary to complete the building of the ward. Over 25 patients can be accommodated, the equipment and appliances being of the most modern type. The beds and furniture for the sun porch were furnished by Mrs. Burnett from her own funds.

Mr. Burnett plans to enlarge his former residence on an island in the Severn River to accommodate some of the convalescent children who have been under treatment at the hospital.

L. W. Manning, district agent for the Northwestern Mutual Life at Ashland, Ky., who had a record of important public service in the past, died at Ashland, at the age of 58. He was secretary to William Howard Taft when Taft was governor general of the Philippines. He later became secretary of the bureau of mines in the department of the interior. He was assistant secretary of the Federal Reserve Bank at Cleveland and then manager at Cincinnati for the Reserve bank.

Vice-president Charles M. Williams of the Western & Southern Life, son of President C. F. Williams, who has been attending some of the insurance conventions recently, is getting an all-around knowledge of home office administrative work. He has two hobbies to which he gives much attention. In the first place, he is a good judge of show horses. He has a stable of four saddle horses which are exhibited at a number of shows. In addition he has his own



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horse which he rides himself. Another hobby is the collection of old coins. He has specialized on California gold pieces that were gotten out by the banks prior to the time that the minting process began.

One of the most enthusiastic "old grads" who attended the recent homecoming celebration of the University of Denver was **J. Stanley Edwards**, general agent in Denver for the Aetna Life and former president of the National Association of Life Underwriters. A several hundred-word interview with Mr. Edwards was featured in the school paper.

Curt Schroeder, general agent in Denver for the Northwestern Mutual, is offering as prizes in a production campaign free tickets to the University of Denver-University of Hawaii football game next month.

Leroy A. Lincoln, vice-president Metropolitan Life, and **B. R. C. Lowe**, general counsel the Home Life of New York, were members of a party which toured the battlefields around Richmond, Va., last week.

S. M. Saufley, former insurance commissioner of Kentucky and later an official of the old Inter-Southern Life, now manager of the Louisville office of the department of foreign and domestic commerce, suffered a heart attack and was taken to a Louisville hospital.

Thomas A. Hogan, 49, manager Kansas City Life in Minneapolis for four years, died unexpectedly. He had been in life insurance 21 years.

W. J. Arnette, California manager Fidelity Mutual Life, who visited San Francisco with President W. L. Talbot, is suffering from a fractured jaw as the result of slipping in a bathtub prior to his departure from Los Angeles.

K. M. Sacks, one of the agency managers of the Equitable Life of New York in Chicago, is on a European trip and will not return until the end of November.

P. W. Williams of Hartselle, Ala., has just completed his 20th year of service as an agent for the Protective Life of Birmingham, which was his first company.

Kingsley's Golden Anniversary

Without ostentation, characteristic of the man whom the event was designed to honor, the Penn Mutual Life's official family, headed by President William A. Law, last week celebrated the golden anniversary of Vice-president William H. Kingsley's service of his company.

Mr. Kingsley joined the company in 1885, when a boy of 18, on his graduation from Girard College in Philadelphia. This is the chronology of his ascent to his present position in the company: Office boy Aug. 10, 1885; western financial representative, 1896-1903; secretary-treasurer, 1903-1906; second vice-president 1906-1922, and vice-president since 1922.

Gifts Were Presented

President Law and the official family gathered in Mr. Kingsley's office to present to him, as a gift of the staff, a grandfather's clock of ancient origin but with perfect time-keeping ability. The presentation address was made by John A. Stevenson. He spoke both of the variety and the worth of Mr. Kingsley's long service, which included a reflex of his own personality, the family spirit which time out of mind has reigned in the entire staff of the home office building on Independence Square. Especially Mr. Stevenson also emphasized the affection in which Mr. Kingsley is held by everyone in the building and by all in the Penn Mutual's organization who

REJECTED RISKS

Ernest Palmer's Latest
Off the Record
Dictionary Talks

Mussolini has given Harry Lauder his passports and ordered him out of Italy for continuing to sing "I love a lassie" (Selassie).—Ernest Palmer.

When F. D. Roosevelt took office his frank and genial press conferences were given much publicity by appreciative newspaper men, who were given background material in "off the record" discussions. Insurance men were quick to adopt the expression and N. U. news gatherers are continually hearing—"Of course, this is off the record."

To those who start out their convention talks by reading a dictionary definition of the subject: phooey!

We are going to have a new term now, brought into being, although it is properly approved by the lexicographers. It is "valediction." At the banquet of the Illinois Association of Insurance Agents in Peoria appeared the following on the program: "Valediction—Alvin S. Keys, President."

Question: What is "boondoggling?" How is it applied to insurance?

Answer: "Boondoggling" is a word coined to apply to so-called relief workers that are placed on nonessential work just to keep them busy. Its application to insurance might be seen in unnecessary investigation and examination of insurance companies.

While attending a garden party a Maryland field man was strolling through a garden with his host when they came upon a sun dial. "What's that?", the insurance man asked in a puzzled manner. "That's a sun dial to tell the time by," his host answered. The field man shook his head. "They're always thinking up something new, aren't they."

Job for the census enumerators of the insurance business—tabulating the number of production contests built around the gridiron idea by general agents and companies in October and November.

have had contact with him all down the years. As a companion-piece to the clock, there was a beautiful wrist watch. Mr. Kingsley responded feelingly.

Dinner in Kingsley's Honor

In the evening there was a dinner at the Rittenhouse Club, which also was almost exclusively a Penn Mutual family meeting. President Law presided. The trustees and the official staff were present. Present also were the presidents of the Provident Mutual and the Philadelphia Life—M. Albert Linton and Clifton Maloney. Dr. Cheesman A. Herrick, president of Girard College, a long-time personal friend and administrative associate of Mr. Kingsley, represented that institution. From Washington came C. B. Merriam, a vice-president of the RFC board, who for many years at Topeka, Kan., had charge of the company's mortgage interests in that region, an intimate friend of Mr. Kingsley. In addition, there were a few of Mr. Kingsley's friends from among the prominent financiers of the city.

Mr. Kingsley traced the history of Philadelphia's life companies, and then spoke feelingly of friendship as the soul of corporate life—friendship among an organization's entire personnel, exemplified by those who control and direct the daily working toward an undivided object.

The Metropolitan's message "I had a Great Dad" in the November magazines* may inspire some of the young married men among life insurance prospects to take advantage of the help Field-Men can give them.

The slogan used in Insurance Week . . . "The sooner you plan your future, the better your future will be" . . . should gain in strength each time it is repeated.

*Business Week, Collier's, Cosmopolitan, Forbes, Nation's Business, Saturday Evening Post, Time.



**METROPOLITAN LIFE
INSURANCE COMPANY**

Frederick H. Ecker, President

ONE MADISON AVE., NEW YORK, N. Y.

Increased Sales Through Berkshire Life Juvenile Insurance

Of all forms of approach there is none so simple as that which deals with the future of a child.

Parents are ever thinking what the future may hold for their own.

No better way of making contacts and of securing a picture of the family's insurance program. These interviews will disclose their needs and also create an opportunity to present other plans, accordingly.

"Ask Any Berkshire Agent"

**BERKSHIRE
LIFE INSURANCE CO.**
INCORPORATED 1851

FRED H. RHODES, President

HOME OFFICE
PITTSFIELD, MASS.

LIFE AGENCY CHANGES

Frisbie Made General Agent

New England Mutual Appoints a Leading Agent at Seattle to Commanding Position

Charles J. Frisbie of Seattle has been appointed general agent in that city by the New England Mutual, succeeding



CHARLES J. FRISBIE

Marion R. Cummings, who died Sept. 13. Mr. Frisbie has been the leader of this agency since he entered its ranks in 1922. He was born in 1895 at Nice, France, where his parents still live. He studied at the University of Lausanne, then at the University of Michigan, where he received his A.B. degree in 1916.

Following the war he went to Seattle, in the automobile business, soon thereafter entering the New England Mutual as an agent. He is now president of the Seattle Life Underwriters Association.

Few men have developed the planning of their life insurance work more thoroughly. He is a systematizer to a degree that puts the value of such regulation of effort beyond all question. In addition, he has an exceptional gift as a speaker, as was shown at the recent national convention at Des Moines, where his address at the opening session was commented upon very favorably.

Sun Life Sends Denver Men to San Francisco Office

DENVER, Oct. 31.—W. G. Bath, branch secretary of the Sun Life at Denver since the office was opened in 1928, has been transferred to the San Francisco office to serve in the same capacity. Pearl Paulsen, personal secretary to Guy Gay, manager of the Denver branch, has also been transferred to the San Francisco division and will be in charge of the Oakland branch. N. L. Kitchner, formerly of the San Francisco office, will replace Mr. Bath at Denver.

Kline at Oklahoma City

The Yeomen Mutual Life has appointed Bert D. Kline general agent at Oklahoma City with offices at 1100 Colcord building, providing not only modern agency facilities, but also a collection office which serves approximately \$5,000,000 in business.

Mr. Kline, since his graduation from the University of Missouri 15 years ago, has maintained his residence in the southwest. After founding a successful bakery and grocery company he became district manager for the old Pe-

oria Life at Fort Worth. In his new connection with the Yeomen Mutual, Mr. Kline renews a business affiliation with T. H. Young, now superintendent of agents of the Des Moines company, who was formerly with the Peoria Life.

Ruggles Is Evanston Agent

W. G. Ruggles, 517 Davis street, Evanston, Ill., under the firm name of W. G. Ruggles & Co., has been appointed general agent of the Continental Assurance of Chicago. He has 10 men associated with his office. He attended the University of Wisconsin and for nine years has been in real estate. He is president of the Evanston Rotary Club, being one of its youngest members.

Bailey with Yeomen Mutual

DENVER, Oct. 31.—H. S. Bailey, formerly an agent here for the Metropolitan Life, has been named the new general agent in Denver for the Yeomen Mutual. He succeeds J. B. Shinn, who has gone to Little Rock as general agent for the General American Life.

Andrews Montgomery Manager

The Protective Life of Birmingham has appointed E. P. Andrews agency manager at Montgomery, Ala., covering also several surrounding counties. He has been doing agency work for the company for 18 months.

Opens New Erie Agency

The Lincoln National Life has opened a new agency at Erie, Pa., with S. M. Carroll, who has been in the business 18 years, as general agent.

Barron Named at Nashville

The Volunteer State Life has appointed T. W. Barron manager of its Nashville office, located at 605 Warner building.

Storck with Monarch Life

Harry Storck has been appointed general agent of the Monarch Life in Newark. He has been with the Berkshire Life for about 14 years in Brooklyn and in Boston.

Bast Takes Franklin Life

John F. Bast, secretary of the Personal Indemnity, limited mutual, Eau Claire, Wis., which writes accident and health, has been appointed manager in northwestern Wisconsin for the Franklin Life.

Omaha Companies' Appointments

F. T. Bockemuhl, who has been in the home office of Mutual Benefit Health & Accident and United Benefit Life of Omaha for a number of years, has transferred to Richmond, Va., as field supervisor.

J. J. Brazzeal, in insurance work in Georgia for 24 years, has been appointed district manager at Macon, Ga., for the two companies.

H. A. Briggs

H. A. Briggs has been appointed general agent of the Continental Assurance at Tacoma, Wash. He has represented the Continental Casualty, a running mate, for some time.

Nau Named in San Antonio

Gus J. Nau has been appointed general agent of the Alliance Life and the Mutual Casualty for San Antonio and surrounding territory. He was formerly with the Acme Life and the Great American Life in San Antonio.

Peebles Dallas Supervisor

H. K. Peebles has been appointed agency supervisor of the Aetna Life at

Dallas, Tex. He is a past president of the Dallas Life Underwriters Association and helped organize C. L. U. classes there.

The Ohio State Life has appointed C. R. McConnell and B. Y. McCready of Alliance, O., as district agents, working in conjunction with the Carter-Jenkins agency at Akron.

Press Committee Named

Advertising representatives of eight life companies comprise the press committee of the Life Advertisers Association. The personnel is J. H. McCarroll, Bankers Life of Iowa, chairman; John H. Rees, Colonial Life; H. P. Brandon, Columbus Mutual; C. E. Crane, National Life of Vermont; L. J. Evans, Northwestern Mutual; Frederick Faulkner, California-Western States Life; J. H. Castle Graham, London Life of Canada, and Rex B. Magee, Lamar Life.

New L. O. M. A. Members

Five more companies have been admitted to membership in the Life Office Management Association, bringing the total membership to 138. The new members with their official and alternate representatives, are: Alliance Life, G. J. Westermann, statistician, C. M. Casper, manager bureau of issue; American Savings Life, J. T. Mayall, vice-president, K. W. Wood, assistant secretary; Columbia Life, Sumner M. Cross, president, Miss C. M. Fredericks, secretary; Columbian National Life, N. M. Hughes, vice-president, John Y. Ruddock, actuary; Reliance Life, R. C. Kneil, assistant to executive vice-president, A. D. West, assistant secretary.

Ralph D. Webb in New Post



RALPH D. WEBB

The appointment of Ralph D. Webb, associate manager of the Louisville agency, as manager of the Springfield, Ill., agency, has been announced by the Union Central Life. He succeeds Hugh McGehee, who has resigned to devote all his time to the personal clientele he has established in Springfield.

Mr. Webb was born in Mt. Vernon, Ill., and for many years was in business there and in Centralia, Ill.

Since he completed his education, Mr. Webb has been in the selling field continuously. His first position was as salesman for a wholesale grocery firm in Mt. Vernon. In 1918 he became territorial manager for the Arbuckle Coffee Company and was in charge of a staff of 18 salesmen. In 1924 Mr. Webb left the grocery field to become president and general manager of a shoe company in Centralia.

He went to Louisville in 1932 to become a member of the Union Central field force. He has been associate manager for the past year.

NEWS OF THE COMPANIES

Kacy Is Made Vice-President

Acacia Mutual Life Announces Promotion of Its General Counsel—F. J. Stryker Elected Director

Howard W. Kacy, Acacia Mutual Life general counsel, has been elected vice-president to fill the vacancy caused



HOWARD W. KACY

by the death of J. P. Yort. He will continue his duties as general counsel in addition to assuming those of his new office. Frank J. Stryker, outstanding Washington banker and president of the Columbia National Bank, was named to the board to fill the vacancy caused by Mr. Kacy's promotion.

Mr. Kacy, a graduate of Indiana University, practiced law in Huntington, Ind., from 1920 to 1923, going from there to the Acacia Mutual as assistant counsel in 1923. He was made counsel in 1927, later being named general counsel and then a director in 1931.

MONTGOMERY REPORTS PROGRESS

The Acacia Mutual Life made considerable progress in the first nine months, President William Montgomery reports. Total income was \$10,500,000, a substantial increase; excess of income over disbursements, \$3,500,000, was more than \$500,000 greater than for the same period last year; assets gained \$3,500,000, increasing to more than \$59,000,000. Net income from properties and net profit from bond transactions showed substantial increases.

Conservation on new business improved 22 percent; conservation on old business improved 9 percent. Business in force has increased to \$352,000,000. Both in number and amount, there was decrease in policy loans, the third quarter this year producing fewer policy loans than in any quarter since 1929.

The cornerstone of the new home office building was laid by President Montgomery in the presence of directors, civic officials, Insurance Superintendent J. A. Marshall and more than 400 home office employees. J. C. Keiper placed in a copper cannister documents telling of history and progress of the company, including the charter and by-laws, 66th annual report, copy of board minutes, lists of members of the William Montgomery Quality Club, directors, officers, home office employees, field supervisors, managers, assistant managers, etc.

Policyholders to Vote

A meeting of the policyholders of the Prudential will be held at the home office in New York Dec. 2 to select four persons to be voted for by the policyholders' trustees as directors at

the annual meeting of the directors Jan. 13.

Farmers & Traders Growing

The Farmers & Traders Life passed its 21st birthday in October. The company is writing 20 percent more business this year and shows a substantial increase of insurance in force. On Sept. 30, the total in force was \$35,950,000, compared to \$34,846,000 Jan. 1. Among the original organizers were E. B. Norris, past master of the New York grange; L. J. Taber, Columbus, O., and W. T. Creassy of the Pennsylvania grange. Of those who aided in the organization, W. C. Lennie is now active in the company as vice-president. The company is entered in nine states and has a very active organization in seven. These seven are Pennsylvania, New York, New Jersey, Massachusetts, New Hampshire and Vermont.

Report on Randolph Co. Mutual

The Illinois department has made an examination of the Randolph County Mutual Relief of Chester, Ill. The state director in the report says that more care must be exercised in making up the monthly statements which are submitted to the department. A death claim register and a disbursement record must be installed and maintained at once. All investments must be authorized by the directors as provided for by the mutual benefit act. The guarantee fund must be brought up to minimum organization requirements.

The examination was made as of Sept. 1. The income from Jan. 1 to Sept. 1 was \$30,571 and the disbursements \$28,525. The assets are \$6,801 and the liabilities \$6,300.

Burial Group Restrained

The Georgia supreme court has affirmed judgment restraining the Benevolent Burial Association from selling any further certificates. The action was brought by Commissioner Harrison of Georgia who contended that the burial association, although it was a corporation created by the superior court, was actually engaging in the insurance business, contrary to law. The contracts issued to holders were called stock certificate but the insurance commissioner contended that they are really insurance policies and the supreme court upheld that view.

Drive for President Price

Managers and agents of the Jefferson Standard Life have completed plans for a drive in November in honor of the birthday of President Julian Price. His birthday is Nov. 25. Agency Manager A. R. Perkins, who has just returned from a six weeks' trip to offices in Texas, reports conditions very favorable for writing life insurance. For the quarter ended Sept. 30, another gain in force was made, the ninth consecutive quarter in which there has been gain. Amount in force is more than \$322,000,000. Assets passed the \$60,000,000 mark Sept. 30.

Atlantic Life Men in Texas

A. O. Swink, president of Atlantic Life, accompanied by W. H. Harrison, vice-president, spent several days in Texas visiting agency plants in Dallas, Fort Worth, San Antonio and Houston. Mr. Swink said business is picking up in all sections of the country, but that in the southwest, particularly in Texas, is rapidly going back to normalcy.

Royal Union Liquidated

DES MOINES, Oct. 31.—The final chapter in the receivership of the Royal Union Life was written in federal court

PROVIDENT

LIFE AND ACCIDENT INSURANCE COMPANY

CHATTANOOGA, TENNESSEE

LIFE, ACCIDENT, HEALTH AND GROUP INSURANCE

Robert J. Maclellan
President

W. C. Cartinhour
Vice-Pres. and Sec.

DISABILITY

is
PUBLIC ENEMY NO. 1

and
DISABLED MEN FACE
FOUR PROBLEMS

- 1 - They need a definite, guaranteed income, supervision free, about which there is no worry.
- 2 - They need this income regardless of the cause or type of disability.
- 3 - The basis for payment must be inability to work, rather than house confinement.
- 4 - It must be theirs irrespective of physical condition.

THE NEW
PACIFIC MUTUAL
Non-Cancellable Income Policy
SOLVES ALL FOUR

Founded 1868
Pacific Mutual Life
Insurance Company OF CALIFORNIA

GEORGE I. COCHRAN, PRESIDENT

HOME OFFICE
LOS ANGELES, CAL.

OFFICES
IN
PRINCIPAL CITIES
IN
42 STATES

ASSETS
OVER \$205,000,000

here when Judge Dewey approved the report of the receivers, L. A. Andrew and E. W. Clark, and ordered their discharge. The receivers were ordered to pay as final dividend 9.244 percent of the amount of claims made by general creditors and dissenting policyholders. All remaining funds are to be delivered to the Lincoln National Life, which reinsured the Royal Union. A previous dividend of 20 percent had been paid. Assets of the Royal Union were listed by receivers at \$145,132 on Aug. 31.

Sells Insurance Exchange

DENVER, Oct. 31.—The United Benefit Life of Omaha, reinsurer of the defunct American Life of Denver, has sold the Insurance Exchange building in Denver to a large realty company. The United Benefit acquired the building through the reinsurance agreement and according to reports the sale price was \$125,000 in cash and the assumption of a \$275,000 mortgage. The American's purchase of this building for use as a home office has been described as the final step which brought about the insolvency of the firm.

J. M. Drake Made President

James M. Drake has been elected president of the Empire Life & Accident of Indianapolis, succeeding his brother, the late C. S. Drake, who died in September. J. M. Drake has been vice-president and agency director. He has been with the company for 27 years. He started with the Industrial Life & Health of Atlanta and then was connected with the Kentucky Central Life & Accident for five years. He helped organize the Empire Life & Accident and has always been in charge of the field force.

Paul Stewart Appointed

Paul Stewart has been named on the staff of the agency department in the home office of the Guarantee Mutual Life, associated with A. B. Olson, manager of agencies. Mr. Stewart has had 17 years life insurance experience. For a time he was in the Travelers office at Omaha, as personal producer, supervisor and then assistant manager for six years. He was transferred to Des Moines, then to St. Louis as assistant manager for over two years. He moved to Detroit, becoming production manager for the John Yates agency of the Massachusetts Mutual, then to Minneapolis as general agent National Life of Vermont, remaining until his health failed in 1933.

Prudential Promotions Made

B. B. Thatcher, formerly associate manager of Division B at the home office of the Prudential, has been advanced to secretary to the executive head of the company, and F. F. Gibney who formerly held that post, has been promoted to supervisor and has been assigned to the supervisor's department at the home office.

Young Is Lincoln L. & A. Director

F. E. Young has been elected a director of the Lincoln Life & Accident of Oklahoma City. He served eight years as assistant insurance commissioner, resigning to practice law in Oklahoma City, specializing in insurance cases.

Central Assurance Gets Business

The Central Assurance, Columbus, O., has reinsured the health and accident and ordinary life business of the Fremont Mutual, which recently was taken over by the Ohio department.

Has Winning Display

The Great Southern Life's display was included in the Direct Mail Advertising Association's exhibit of 50 winners for 1935.

PACIFIC COAST AND MOUNTAIN

Coast Actuaries Plan Meet

Discussions on Pertinent Problems to Feature Gathering Next Week in Del Monte

There are no set speeches scheduled for the semi-annual meeting of the Actuarial Club of the Pacific States in Del Monte Nov. 4-6. Outstanding problems of the business will be informally discussed. The opening day will be devoted to underwriting problems, according to A. G. Hann, actuary Pacific Mutual Life, who is program chairman.

Other subjects to be considered include: Trend of interest rates; taxation—federal, state and municipal; how to reduce expenses of operation; effect of new legislation regarding unemployment and old age pensions on life insurance; the 1935 revenue act; value and possible volume of juvenile policies; contingency funds; adequacy of current non-participating premium rates; office management; and persistency.

Marcus Gunn, associate actuary California-Western States Life, is president of the club; and Clarence Tookey, assistant actuary of the Occidental Life, is secretary. Indications are that there will be a record attendance at the meeting, particularly in view of the importance of the subjects for discussion.

Investment Problems Face Companies, Says W. L. Talbot

SAN FRANCISCO, Oct. 31.—The major problem now confronting life companies is the matter of investment, said President Walter L. Talbot of the Fidelity Mutual Life, who is inspecting Pacific Coast territory. "It is not a matter of getting the money in," he said, "but a matter of getting it out safely at a proper interest yield." Mr. Talbot does not look for any great improvement in the aggregate yield for some little time to come. "There seems," he said, "to be a better field for mortgage investment, but it is still rather difficult to get the character of mortgages that a life insurance company should have, particularly as the companies are somewhat hampered in this respect by the attitude of the federal government. The government is actively in the field and is more liberal in its loans than most of the life companies care to be."

Northwestern Mutual Life Officials on Pacific Coast

"Life insurance is the key to social security," said Percy H. Evans, vice-president and actuary Northwestern Mutual Life, at the San Francisco Life Underwriters Association meeting. The public wants "social security," they want guarantees, stability and assurances. Life agents should take advantage of the "tide as it turns" by keeping in mind a fairly clear picture of what has been happening during the last few years and the public's attitude towards life insurance. Accompanied by other officials of his company, including Grant L. Hill,

Prouty Passes Million Mark for Year to Date

Phineas Prouty, Jr., a leading producer of the John W. Yates agency at Los Angeles for the Massachusetts Mutual Life, who qualified last year for the Million Dollar Round Table, has produced since Jan. 1 over \$1,100,000 in paid volume of new business.

director of agencies; Ralph E. Perry, assistant secretary, and Nelson D. Phelps, assistant director of agencies, Mr. Evans was in San Francisco to conduct a two-day regional meeting of company representatives from California, Arizona, Utah and Nevada.

A number of company officials gave a luncheon for the visitors, including: L. M. Giannini, president, and V. H. Jenkins, vice-president, Occidental; Frank N. Belgrano, Jr., president Pacific National Fire and Occidental Life director; Vincent B. Coffin, superintendent of agencies Connecticut Mutual Life; Louis J. Schmoll, assistant secretary Metropolitan Life; Marcus Gunn, vice-president California-Western States Life; and Gordon Thomson, vice-president West Coast Life. Commissioner Samuel L. Carpenter, Jr., of California was also a guest of honor.

Due to a throat affliction Mr. Evans was unable to speak during the regional conference, only regaining his voice through heroic measures in time to address the San Francisco association.

Agents from the mountain states conferred with the home office party in Denver.

Honor "Hi" Binder

H. A. Binder, who because of ill health recently retired as general agent of the Massachusetts Mutual Life, to engage in personal production after more than 20 years in the life business in California, was paid high tribute at the San Francisco Life Underwriters Association meeting. Arthur S. Holman, chairman general agents and managers section, spoke of the work and

accomplishments of Mr. Binder during his many years as a general agent, bespeaking for him continued success as a personal producer. Mr. Holman also presented H. A. Binder, Jr., who is to be associated with his father in personal production for the Massachusetts Mutual.

New Deputy in Utah

SALT LAKE CITY, Oct. 31.—Miss Rhea Huett, assistant insurance commissioner of Utah for 15 or 20 years, has married and is now living in California. Commissioners might come and go, but Miss Huett was always retained because of her invaluable services.

C. N. Ottosen, who has been an investigator for the department for several months, becomes assistant commissioner hereafter. Mr. Ottosen has been a federal "G-man." He is an attorney by profession.

Coffin in Conference

Vincent B. Coffin, superintendent of agencies, Connecticut Mutual Life, and Geo. F. B. Smith, his assistant, held a week round conference on agency problems with six general agents in San Francisco.

Monte R. Jones, Los Angeles superintendent of the Prudential, has rounded out a quarter century of service.

MITCHELL EDUCATIONAL DIRECTOR

William H. Kee, manager in Brooklyn for the Mutual Life of New York, has appointed as educational director of the agency Donald E. Mitchell. Mr. Mitchell goes to the Kee agency with broad insurance experience of practical field work as well as a successful career as agency supervisor and trainer of men. His most recent work has been in South Dakota.

NEWS OF LIFE ASSOCIATIONS

Missouri Meeting Is Planned

Wetzel, Hedges, See and Schriver Among Headliners Scheduled for Cape Girardeau Gathering

CAPE GIRARDEAU, MO., Oct. 31.—The complete program for the mid-year meeting of the Missouri Association of Life Underwriters here Nov. 8 has been announced.

The program will get under way at 7:30 a. m. with a business meeting of the officers and directors of the association.

The main session will commence at 9:30 a. m. with a welcome by A. S. Reed of Cape Girardeau, president of the Southeast Missouri Life Underwriters Association. Sam T. Utz, St. Joseph, first vice-president, will respond. The report of the directors' meeting and various committee reports will be read by Arnold Roth, secretary-treasurer.

McHaney to Speak

Powell B. McHaney, attorney for the Missouri insurance department, will be the first speaker.

"Do You Accept Your Prospecting Assignment?" will be discussed by Ralph J. Wetzel, Kansas City general agent Pacific Mutual Life.

"Selling and First Year Collections," by Herbert A. Hedges, Kansas City general agent Equitable Life of Iowa, will follow, while the closing talk of the morning session will be by Frank M. See, St. Louis general agent New England Mutual Life on "The Independent Approach to Social Security."

Guests of honor at the luncheon will include Superintendent R. E. O'Malley and Dr. W. W. Parker, president Southwest Missouri State Teachers College. The luncheon speaker will be Lester O. Schriver, Peoria, president National

Association of Life Underwriters and general agent Aetna Life.

In the afternoon the football game between the Southeast Missouri Teachers' College and Southern Illinois Teachers College will be attended. There will be a bridge luncheon for the ladies. In the evening preceding the meeting there will be a dance and special floor show. Arrangements for golf, sight seeing, shooting and fishing have been made.

Warren, O.—Frank A. Gold, agency organizer Mutual Life of New York in Cleveland, will discuss the social security act and its effect on life insurance at a meeting Nov. 1.

Oakland-East Bay, Cal.—Characterizing life insurance as "the greatest corrective we have in American society to arrest the tendency toward other principles which can only be realized by the surrender of individual freedom," Gen. D. P. Barrows, former president of the University of California, outstanding political scientist, educator and military figure, was the principal speaker at a meeting Thursday.

Fremont, Neb.—Kirk C. Lee has been elected president to succeed W. T. Peterson; C. J. Carlson, secretary-treasurer, and Paul K. Peterson national committeeman. Executive committeemen are T. V. Brich and William Zellers.

Little Rock—J. C. Fuller discussed "Business Insurance From the Viewpoint of an Accountant." The National association's program of public education was endorsed. George Vinsonhale, chairman committee on education, gave a special report. Plans were announced for the inauguration of a C. L. U. study class.

Manchester, N. H.—New officers are: President, Guy Foster, John Hancock; vice-president, Mitchell Arel, Metropolitan; treasurer, Ralph Herbert, Mutual Life of New York; secretary, F. E. Moss,

Travelers. Vice-president Edmund Fitzgerald of the Northwestern Mutual spoke on "Present Day Facts Relating to Life Insurance Investments," and Roy Chapman, assistant director of agencies of the same company, on "Let's Do What ever it Takes."

* * *

Rochester, Minn.—Support was pledged to the national program of public information concerning life insurance.

* * *

Cleveland—The November meeting will be held Nov. 15. Hubert Greaves of Yale University will speak.

* * *

Grand Rapids, Mich.—A membership drive is being conducted in view of the fact that the Michigan association will hold its next session here in May. The Rev. E. P. Downey lauded life insurance for its many protective features in a talk on "Life Insurance as a Benefactor in Our Community."

* * *

Galveston, Tex.—Directors have unanimously passed a resolution pledging the support to the national program of public information about life insurance.

* * *

Northern New Jersey—A luncheon-meeting will be held in Newark Nov. 18. J. Elliott Hall, Penn Mutual Life, New York City, will talk.

* * *

Wichita, Kan.—P. M. Anderson, former district agent Northwestern Mutual and still an active producer, spoke on "My 48 Years in the Life Insurance Business."

* * *

El Dorado, Kan.—A dinner meeting was attended by a large delegation from Wichita, headed by L. B. Brown, Travelers, vice-president of the Kansas association. Rev. Fred Condit spoke.

* * *

Denver—P. S. Jolley of the Travelers has been elected chairman of the board of the Colorado association. Other members are: C. E. Eddleblute, Penn Mu-

tual; J. E. Robinson, New York Life; W. S. Cooley, Pacific Mutual; Guy Hobson, Connecticut Mutual; William Goebel, Northwestern Mutual; Fred Krueger, Capitol Life; Guy Gay, Sun Life; J. O. Andrews, Union Central; E. L. Metcalfe, National of Vermont; Victor Nelson, Prudential, and D. G. Holland, Mutual of New York.

* * *

New York City—Harper Sibley, president of the U. S. Chamber of Commerce, will speak at the policyholders' luncheon, Feb. 13.

* * *

Los Angeles—Grant L. Hill, director of agencies Northwestern Mutual Life, spoke. Henry G. Mosler, Massachusetts Mutual Life, Million Dollar Round Table member, discussed "Actual Experiences in the Field," covering the presentation in detail of a number of cases culled from his personal experience. Will G. Farrell, Penn Mutual, talked on "Life Insurance and Social Service."

* * *

Atlanta—A delegation from the Birmingham, Ala., association put on a program for the Atlanta association. R. A. Raughley, president of the Birmingham association, introduced the speakers: J. F. Lee, general agent Mutual Benefit Life, "Taxation"; W. I. Pittman, general agent John Hancock, "The Agent's Mission"; C. C. Greer, educational director north Alabama agency New York Life, "The Man in the Field from the Insurance Commissioner's Viewpoint," and T. J. Huey, superintendent Prudential, "What Your Association Means to You."

* * *

Anniston, Ala.—A sales congress was held Oct. 31, with J. O. Ogle of Birmingham, president of the state association, presiding. Speakers, furnished by the Birmingham association, were: O. L. Mimms, manager Metropolitan Life, on "Making the Sale"; F. W. Drake, general agent Massachusetts Mutual, "Modern Day Prospecting"; T. J. Huey, superintendent Prudential, "Possibilities in Your Debit," and R. A. Raughley, manager National Life of Vermont, "Time Control."

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● Complete Substandard and automatic Reinsurance facilities embrace so wide a field that prompt policy issuance—regardless of size—is the rule and not the exception.

LIFE COMPANY CONVENTIONS

Southland Life's Convention

Annual Agency Gathering Held in Dallas with Nearly 300 in Attendance—Seay Reviews Year

The Southland Life held its annual agency convention in Dallas this week, nearly 300 agents and their wives at-

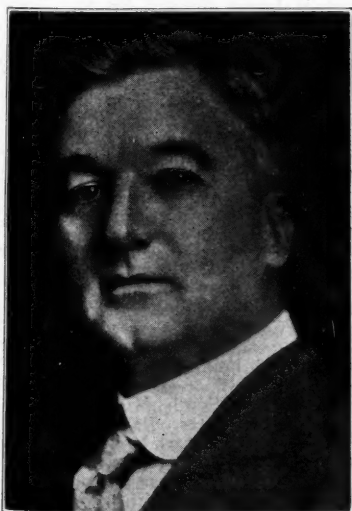
annual banquet the Southland Life's radio program was reproduced and its radio orchestra played for dancing.

Pittsburgh Agency Makes Great Strides, Haas Reports

At its annual agency convention A. F. Haas, manager Pittsburgh agency Mutual Life of New York, announced that Charles Benjamin was elected president of the Pittsburgh agency "Field Club," vice-presidents elected were: A. E. Wright, Uniontown; M. P. Hyde, New Castle; Sam Frankel, Pittsburgh; W. B. Lichliter, Somerset; H. W. Stuchell, Pittsburgh; M. V. Kennie, Belle Vernon; N. L. Duncan, Indiana; E. O. Davidson, Kittanning; A. H. Church, Wilkinsburg, and E. L. Stanley, Pittsburgh, secretary-treasurer. The honors were won by outstanding production records in 1934. There was a comprehensive program with addresses by leading producers. Much time was devoted to the process through which insurance annuities can be used to save administration expenses, and the heavier federal estate tax to go in effect Jan. 1. Manager Haas reported that the agency in nine months met new business requirement for all of 1935, and is 12 percent ahead of its 1934 new business accomplishment. Among the company's 64 agencies throughout the country, the Pittsburgh agency has been elevated from 53rd place to 12th during the last two years.

Jefferson Standard Meet

Agents and branch managers of the Jefferson Standard Life, in the Wichita Falls, Tex., area, held their annual meeting with A. R. Perkins, home office agency manager, as principal speaker. The company has \$60,000,000 insurance in force in the state. Production for 1935 to date shows a gain of 25 percent.



HARRY L. SEAY

tending. President Harry L. Seay gave the annual report. Speakers included Clarence E. Linz, vice-president; W. E. Talbot, vice-president and agency manager, and Dr. J. T. Montgomery, medical director. Prominent outside speakers included Attorney-General William McCraw, Col. E. O. Thompson, chairman Texas railroad commission, and Life Commissioner R. L. Daniel. At the

THE OPEN DOOR



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A GENERAL AGENCY

With the Company that reached 70 Millions in 7 years

In line with its extensive expansion program, the Company is now occupying its new Home Office Building in Montclair and has openings for a limited number of men who can qualify for

A SPECIAL CONTRACT FOR PROSPECTIVE GENERAL AGENTS

IF—your paid-for production in 1934 exceeded \$100,000

IF—you have some organizing ability

IF—your future with your present connection is limited

IF—you live in

NEW JERSEY
DELAWARE
MARYLAND

WESTERN PENNSYLVANIA
WESTERN MASSACHUSETTS
RHODE ISLAND

Write to

Wm. J. Sieger, Vice President and Supt. of Agencies

Bankers National Life Insurance Co.
Montclair, New Jersey

AS SEEN FROM CHICAGO

TO OPEN UPTOWN OFFICE

Martin A. Zitzmann, who is resigning as manager of the Guardian Life at 100 North LaSalle street, Chicago, will remain in that office until Dec. 1. At that time he will open an uptown office at Lawrence and Broadway in Chicago where he will be located, conducting the firm of Martin A. Zitzmann & Co. and doing a general insurance business. Mr. Zitzmann has a large life insurance clientele and he will specialize on life insurance but will write all other lines.

DISCUSS TAXING OF POLICIES

Taxation of proceeds of life insurance, a subject of great interest to agents, was discussed by Harold Carlson, Reliance Mutual Life, at the October meeting of the Chicago Actuarial Club. Such levy is limited to insurance in which the insured retains incidents of ownership. These include rights to change beneficiary, to sell or pledge the policy, to use cash and loan values, to receive dividends, to make a premium loan, to receive disability benefits, to avail himself of paid up or extended insurance, to mature an endowment, to select settlement options, to name his estate as contingent beneficiary. The arrangement to avoid estate tax on pol-

icy proceeds usually is made through creating a trust. The test as to exemption from estate tax is whether there is any possibility of the proceeds reverting from the named beneficiary to insured's estate. If there is, the assignment of insurance is not irrevocable, and the tax is applied at insured's death.

Regarding taxes on proceeds payable as income, Mr. Carlson said, if cash value or matured value is left with the company and interest is payable, such interest is taxable income; if cash value or matured value is payable as an income the income is treated as an optional settlement. If at insured's death, proceeds are payable as income to beneficiary, this is treated as though death benefit had been paid and a new arrangement made for an optional settlement. If the policy is converted to an income, the transaction is treated as though cash value were received and an annuity purchased. Income payable under an optional settlement is taxable according to a formula, principal sum being divided by number of years certain over which payments are to be made (if period is fixed) or by life expectancy of beneficiary (if payments are for life). Amount received in any year in excess of amount thus arrived at is returnable income. When the total of amounts thus exempted equals the original principal sum, then all amounts received are returnable income.

A. V. Gribbin, underwriter Country Life, gave a talk on heart murmurs and their prognosis, explaining the various types by means of charts. H. C. Reeder, Country Life, vice-president of the club, presided in the absence of President R. M. Brown, actuary Continental Assurance. R. I. Booth, statistician Travelers, gave highlights of the Toronto meeting of the Actuarial Society of America.

The club has just inaugurated a course of instruction in preparation for the joint examinations of the Actuarial Society of America and American Institute of Actuaries. E. B. Escott, former mathematics instructor University of Michigan, is in charge. There is an enrollment of 10.

TELLS HOW TO KEEP BUSY

Agents who keep active do so because the greatest fun and maximum gratification are derived from their selling job. E. B. Thurman, general agent New England Mutual, declared in a talk at the weekly agency meeting of W. A. Alexander & Co., Chicago general agents Penn Mutual Life. Mr. Thurman said it is now recognized generally that the commission appeal alone will not keep agents busy. They must be motivated by some other means. Life insurance is commercialized idealism, he said. It is not commerce. Life agents are not motivated by the ordinary appeals of the commercial world, he said. There is a sense of great satisfaction that comes from the knowledge the agent has the solution to problems of the people, and when this is tied in with professional ability and knowledge of collateral matters such as business usages and needs, estate, inheritance and gift taxes, etc., it is simple for the agent to develop the zeal of an evangelist in his daily rounds. To develop this condition of affairs is the responsibility resting on general agents and managers, Mr. Thurman said.

FOWLER AGENCY TO MOVE

After some 31 years in one space in the First National Bank building, Chicago, the Edgar C. Fowler general agency of the New England Mutual Life, Nov. 11 is to be installed in handsome new quarters occupying the entire 30th floor of the Bankers building, 105 West Adams street. This is the realization of the dream of an ideal office, where the

mechanical and clerical features are hidden as much as possible from public view and instead is presented a broad pleasant vista. Mr. Fowler had his new offices designed throughout by an architect and interior decorator who did considerable work at the Century of Progress exposition. One steps out of the elevator into a spacious reception hall with information desk, archways leading to various parts of the office. Two large paintings meet the eye, one of the home office building and the other of Judge Willard Phillips, founder of the New England Mutual, and Elizer Wright. On one side in an alcove is the counter for policyholders' service, opening off the main clerical room, on the other side of which is the agents' counter. A large number of two- and four-men private offices are on the outside of the space, Mr. Fowler's office with low wainscoting, old ivory walls and a small fireplace being in the corner space. Every detail has been worked out to make one of the most efficient as well as most artistic offices in the city.

There is no so-called "bull pen" for agents in the new offices, nor the tiers of agents' desks that one finds in most agencies. The professional tone is carried out by private offices. There is, however, a room for a group of younger agents who will sit at a long table while in training.

The New England Mutual entered Illinois in 1846, the agency which Mr. Fowler conducts being the first one opened in the state, starting at Rockford. It has been in the First National Bank building, Chicago, since 1901, quarters being enlarged from time to time. Mr. Fowler, who for many years was superintendent of agents of the State Mutual Life, went to Chicago in 1916, taking over the agency. He has been in the life insurance business 47 years, having started April 8, 1889, at Hartford with the Hartford Life & Annuity as clerk and errand boy.

WOMEN'S DIVISION IN MEETING

Tact, diplomacy, consideration, sincerity, and, above all, self-detachment, are personal traits upon which depend success in life insurance selling, Mrs. Lorraine L. Blair, manager women's department S. T. Chase general agency Connecticut Mutual Life, declared at the first fall meeting of the women's division of the Chicago Association of Life Underwriters. She discussed "What Price Success?" Successful people are not constantly struggling, she said. They have poise and dignity, are suitably dressed, their voices are well modulated. They are human and sympathetic in their attitude. They know their business, are familiar with new trends. They have enthusiasm, courage and confidence. They thoroughly organize their time and know where they are going. They have studied their own personalities and charm and made the most of them.

"The plodder of today often is the success of tomorrow," Mrs. Blair said. "The agents must set aside a regular time for study of their business. The knowledge thus gained eliminates fear. Those of us who are afraid when we go into an interview obviously do not fear the institution of life insurance. Therefore, it must be that we fear ourselves. Time is the most priceless asset of the agent. Do we use our companies' splendid sales systems? How can one be successful without seeing people? Do not delay organizing yourselves. Procrastination and indecision have caused more misery than any other human failing. Are we practicing what we preach? We ask policyholders to be economical and thrifty. Do we carry enough life insurance ourselves?"

Agnes M. Bruder, Equitable of New York, Anna O. Sorenson, John Hancock, and Joy Luidens, secretary Chicago association, gave highlights of the Des Moines national convention. Sara Frances Jones, Equitable of New York, chairman of the division, presided. The annual election is to be held in December. Nominating committee selected is Pearl A. Power, New York Life; N.

Mildred Graettinger, Penn Mutual; Agnes Bruder, and Lucy M. DeGraff, Sun Life of Canada. The division has 65 members.

TOWER TO ADDRESS AGENCY

Walt Tower, managing director Chicago Association of Life Underwriters, is to address the L. S. Broadway agency of the Acacia Mutual Life in Chicago Nov. 4 on association activities.

WILL MOVE TO FIELD BUILDING

The Mutual Trust Life of Chicago, which has had its head office in the Chicago Temple building for a dozen years or so, will soon move to the new Field building, 135 South LaSalle street, one of the most modern buildings in Chicago and equipped with all up-to-date facilities. The Mutual Trust Life will thus be able to have its activities on the same floor, it taking large space on the ninth floor. The company has had a very substantial and progressive growth and is looked upon as one of the most dependable institutions in the west.

EXPLOSION CLAIMS PAID QUICKLY

Practically 24 hours service was given by the Equitable Life of New York in settling death claims resulting from the explosion Oct. 7 at Chicago of the Soya Products division of the Glidden Company with eight deaths. Two or three days were required to dig into the ruins, get out the bodies and identify the victims. Identities were established Oct. 11 when the group department at Chicago wired to the home office and on that same date the checks were prepared in New York without receipt of formal proof of death and were mailed to Chicago. The Glidden Company had assigned a man to prepare proofs of death and when the checks arrived in Chicago they were sent out by special representative and delivered to the individual beneficiaries as the proofs of death were furnished. The total insurance involved in death claims was \$11,800. Little other insurance was carried on the lives of the persons who were killed and the checks therefore represented emergency cash. The Glidden Company had carried the group contract since about 1920.

DRIVE IN HONOR OF KLINGMAN

W. W. Klingmann, vice-president of the Equitable Life of New York in charge of agencies, is to be honored in November by agents of the central department by a special drive. The effort is being directed by the Central Managers Association of which Mr. Klingman was first president eight years ago when he was St. Paul manager. It is termed the "work with Klingman" campaign. Each agent is to try for seven applications in the month, symbolizing the number of years Mr. Klingman's campaign. Each agent is to A dinner will close the month, Mr. Klingman, Vice-president F. L. Jones and Second Vice-president A. G. Borden being scheduled to attend. W. M. Rothaermel, superintendent of agents central department, will be toastmaster.

CONTINENTAL ASSURANCE COURSE

The Continental Assurance has started a short series of lectures for agents and brokers in the class room on the 10th floor of the home office building, 910 South Michigan avenue, Chicago. Lectures, the first of which was given Oct. 30, are by Lester Forbes, the educational director who is taking up business insurance, federal estate and inheritance tax, gift tax, the social security act, etc. The classes will be held for three more Wednesdays from 9:30 to 11 a. m.

President Bradshaw Honored

De E. Bradshaw, president of Woodmen of the World, was honored by its home office employees at a dinner to commemorate his recent coronation as king of Nebraska's Ak-Sar-Ben organization. Nearly 300 persons attended the festivities. All the entertainment was given by employees.

WHAT THE PROSPECT NEEDS...

No matter what form of life insurance the prospect needs, Pan-American Fieldmen are equipped to serve.

A full line of standard forms of life policies and annuities; sub-standard insurance on under-average lives; age limits one day to sixty-five years; special children's policies; income disability \$10.00 per thousand; non-medical application privilege; group, wholesale and salary deposit insurance—these are just a few of the features of Pan-American service.

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LIFE INSURANCE
COMPANY**
NEW ORLEANS U.S.A.

CRAWFORD H. ELLIS, President
EDW. G. SIMMONS, Vice Pres. & Gen. Mgr.

WITH INDUSTRIAL OFFICES

J. D. Moynahan Is Promoted

Middle West Agency Supervisor Takes Field Post—Kraft to Chicago—La Fond, Massie Advanced

Several changes in its middle west territory are announced by the Metropolitan Life. John D. Moynahan, who



JOHN D. MOYNAHAN

has been agency supervisor in charge of the agency division office in Chicago, has been promoted to manager of the West Suburban (Chicago) district, succeeding John Barnard who has been transferred to New York state. James F. Berry, former assistant manager at Englewood, N. J. who has been understudying Mr. Moynahan for six months, becomes agency supervisor.

Manager Joseph Kraft of Rockford has been transferred to Chicago in charge of the Cragin district to succeed Murray Stecker who goes to the South Park office accounts division. Stanley La Fond, home office sales supervisor, goes to Rockford as manager. Peter C. Massie, South Bend, Ind., assistant manager, has been promoted to manager at Aurora.

Mr. Moynahan joined the Metropolitan in 1912 as a field clerk at Springfield, Mass. Shortly afterwards he went on the road out of the home office as an installer. He became an agent at Waltham, Mass., in 1925 (as soon as he was 21 years old). He was appointed assistant manager there in 1927 and was made a managing assistant in Waterbury, Conn., in 1930, subsequently going to Malden, Mass., in the same capacity. He was promoted to agency supervisor in 1932 and transferred to Chicago.

Enters Industrial Field

The opening of an industrial department by the Great American Life of San Antonio, Tex., is announced by President C. E. Becker. Since its founding five years ago, the company has been writing ordinary only.

The new department will be under the supervision of W. J. Hiller, secretary-actuary, and the San Antonio unit will be under the direct sales management of R. H. Swann.

The San Antonio district will be the only unit to be operated for some time. The opening of additional districts in the metropolitan centers of Texas is not contemplated before the latter part of 1936. Whole life, 20 payment life and 20 pay endowment industrial policies will be issued.

Michael Seanlan, 60, Buffalo, is dead. Ill health forced his retirement last year as assistant manager of the John Hancock, after 40 years of service.

John Hancock Mutual Shifts

Number of Changes Now Announced in Several Districts of the New England States

The John Hancock Mutual Life is making several shifts of New England managers. A. J. Babineau, now in Concord, N. H., goes to Fitchburg, Mass. William F. Grof, acting manager in Pawtucket, R. I. becomes manager in Concord. A. T. Lynch transfers from Fitchburg to Pawtucket. Charles W. Butterworth retires at Lynn, Mass., and is succeeded by Peter J. Conlon, who has been an assistant at Brighton. James V. Moretti, an assistant at Providence is promoted to manager at Warwick, R. I.

Metropolitan Changes

New York state changes in Metropolitan Life managers include the sending of Manager Charles F. Schultz from Oswego to Batavia; Manager F. W. Heimerle from Kingston to Oswego; John H. Morrison from Malone to Kingston and B. R. Carpenter from Gloversville to Malone.

Bowles to Atlanta

R. W. Bowles, manager Cleveland 1, has been appointed manager of the Monumental Life's new southern office at Atlanta. The Atlanta office is the ninth district opened in 15 months and is the 46th district of the company, which now operates in 12 states and the District of Columbia. Roger Page, formerly Cleveland 1 manager, relieved of his duties in January because of ill health, has been reinstated in that office.

Kemper Is Indianapolis Manager

Grant P. Kemper has been appointed manager of the Indianapolis office of the Monumental Life of Baltimore. Mr. Kemper has been on special assignment from the home office covering central west cities. He is a resident of Indianapolis and has been with the company for seven years.

Sundell to St. Louis

A. B. Sundell, former superintendent of the Humboldt district in Chicago, has been promoted to manager at St. Louis for the Western & Southern Life. He joined the company in 1932.

Connecticut Veteran Honored

James Kirkbright, who retired some time ago as manager of the Torrington, Conn., office of the Metropolitan Life after 33 years in the company's service, was honored by about 30 past and present Metropolitan employees at a dinner at Winsted. Michael T. Hayes, a Metropolitan agent whose service also totals 33 years, was host.

Frank D. Kenyon, Prudential superintendent at Olean, N. Y., district, was honored for completing 20 years of continuous service at a dinner.

Two Companies Join A. L. C.

Two companies have been added to membership of the American Life Convention, the roster now being 135 companies. These are the Sun Life of America, Baltimore, and the Republic Life of Dallas. The Sun Life is headed by Moses Rothschild as president. The Republic Life is headed by E. P. Bennett, president and chairman of the board. It was licensed in 1928, as a mutual legal reserve stipulated premium company, changing to a stock basis in 1930.

Refuses to Review Decision

The U. S. Supreme Court refused to review a decision involving the Drake

Hotel, Chicago, on which a \$4,000,000 mortgage loan had been placed by the Metropolitan Life which it sought to foreclose. This action was contested on the ground that the company could not engage in the business of making real estate loans in Illinois while possessing licenses from the state only for the transaction of life, health and accident insurance business. The company was upheld by the United States circuit court of appeals for the seventh district.

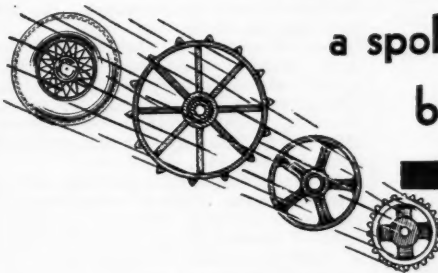
W. A. White, the veteran New Jersey state agent for the John Hancock Mutual Life, has completed 32 years of service.

Premiums and Losses on General Classes in Illinois

The Illinois insurance department gives some statistics as to the premiums and benefits paid by different classes of companies last year in the state. They are as follows:

	Premiums	Claims Paid
Fire	\$ 50,900,166	\$ 24,087,305
Casualty	61,713,025	28,656,762
Life	258,686,586	81,758,028
Fraternal	17,468,523	13,188,854
Mut. Benefits	2,323,050	1,147,660
Total	\$391,091,350	\$148,838,609

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a spoke in these
busy wheels



Optimism is riding high in the Northwest. Auto wheels, tractor wheels, factory wheels, are turning with a new stride and business augurs the best in 15 years.

Provident Life, born and nurtured to success in the Northwest, is alert to every trend of the territory, and prepared to serve wisely and widely in the inevitable demand for more insurance. Provident's firm foundation and its constantly increasing strength in assets and contingency reserves, symbolize SAFETY, and SAFETY is the first interest of every economic recovery.

Representatives who value real cooperation in agency building, are invited to get in touch with us.

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INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

WOODMEN OF THE WORLD

Six Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income
- Juvenile

These contracts are, participating, and provide all standard non-forfeiture options.



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DENVER, COLORADO

NEWS OF THE FRATERNALS

Smrha Nebraska President

Brother of Insurance Director Elected
Head of State Congress; Notables
Are on Program

Dr. V. V. Smrha of the Western Bohemian Association, Milligan, Neb., was elected president of the Nebraska Fraternal Congress at the annual convention in Omaha. Dr. Smrha, who succeeds Ira L. Mitchell of Omaha, Maccabees, is a brother of Insurance Director Smrha of Nebraska. He has been vice-president.

Mrs. Florence H. Jensen, Omaha, state manager Woodmen Circle, was elected vice-president; F. J. Cassidy, Lincoln, second vice-president; A. C. Watkins, Omaha, third vice-president; Mrs. Ida B. Kennedy, Lincoln, reelected secretary-treasurer.

A steady, substantial business upturn throughout the country is indicated by experience of the 85 societies in the National Fraternal Congress, P. F. Gilroy of Denver, national president, and head of the Woodmen of the World of Denver, reported in an address. "Fraternal benefit organizations came through the depression with flying colors, and without government help," he said. "Now with greater employment and easier business conditions, these organizations are enjoying thousands of reinstatements. It is the hope of executives of fraternal organizations that the government will not encroach further in the field of insurance."

"New business is easily 30 percent greater than last year and already about 15 percent of lapsations have been reinstated."

Insurance Director Smrha, De E.

Bradshaw, head of the Woodmen of the World, Omaha, and Dora Alexander Talley, president Woodmen Circle, also were on the program.

Director Smrha conceded that fraternal played an important part in making people of the United States insurance conscious and in tiding over the depression. He warned against holding out promises which rules of arithmetic and natural laws show cannot be fulfilled. An insurance contract must be a specific and definite promise to do a certain thing at a certain time. "It must mean what it says," he said, "and by the same token must say what it means. The manner in which insurance organizations met their obligations will result in increased confidence by the public and an even larger volume of insurance in the future."

Makes Change to 3 Percent

A. O. U. W. of North Dakota Shifts
After 31 Years on 4 Percent
Reserve Basis

All new business is being written by the A. O. U. W. of Fargo, N. D., on the American Experience 3 percent reserve basis, the change having been made effective Oct. 15. For 31 years the society has operated on American Experience 4 percent basis. Dividend refunds will be made in one of three ways at the option of policyholder:

(1) Receive in cash; (2) leave on deposit at not less than 3 percent interest; (3) buy additional fully paid insurance on original plan; if contract is surrendered at any time, proceeds will be increased by amount of any accumulated deposit and/or by cash value of any paid-up additions. Contracts fully paid up participate in distribution of surplus funds.

The forms being written on the new reserve basis are: Ordinary life—endowment age 85; 10, 15 and 20 payment life—endowment 85; 10, 15 and 20 year endowment; endowment age 65, and five year convertible term. There are also issued a special \$5,000 ordinary life at a rate less than for ordinary life, and endowment at 85, sold only in amounts of \$5,000 or over.

Juvenile Insurance Plans

Juniors are written on the term plan ages 30 days to 16 years, and also on the 20 payment life, endowment at 85 and junior educational endowment plans. In connection with junior insurance a waiver of premium rider may be attached so in case of death of beneficiary, the policy becomes automatically paid up. The society is continuing to write sick and accident insurance in connection with life policies; total and permanent disability with or without waiver of premium; double indemnity, and also family income rider.

Form Protective Committee

Organization Perfected in Chicago to
Oppose States' Efforts to Tax
Societies

In an effort to check the spread of the idea of taxing fraternal societies retroactively for many years and in order to coordinate the work of defending societies against the suits brought in a number of states, the Fraternal Societies Protective Committee has been formed in Chicago.

It is quartered in the law office of Weber, Miller & Defenbaugh, First National Bank building. J. M. Miller of the firm, a stepson of Bina West Miller, head of the Woman's Benefit Association, Port Huron, Mich., is active in the work of the committee. Mr. Miller, Oct. 31, appeared before the Virginia

corporation commission to offer argument against carrying out a plan there to tax the societies. He represented the Woman's Benefit Association in New Mexico recently where demands have been made against three societies for total of approximately \$350,000, excluding penalties. Penalty of \$500 for each year's tax demand is threatened, or, since the demand goes back ten years, \$5,000 monthly penalty per society until the tax is paid.

The tax idea has been spreading rapidly this year. Ohio contemplates imposing such a tax, as do Indiana, Idaho, North Dakota, Tennessee and Mississippi, although no action has been taken as yet in these states.

Arkansas Suits Are Set

Three of the 35 back tax suits pending in Pulaski chancery court, Little Rock, Ark., against fraternal societies have been set for trial. The suits seek \$2,000,000. Four days have been set by Chancellor Dodge for trial of each case. The first will be the suit against the Maccabees, set for Nov. 19; then Nov. 25 the Woman's Benefit Association case, and Dec. 2 that of the Modern Woodmen. Similar suits are pending in Oklahoma, New Mexico and Missouri.

Honor Mrs. Talley at Luncheon

Mrs. Dora Alexander Talley, president Woodmen Circle, Omaha, was honored at luncheon by some 300 Omaha men and women prominent in civic affairs on her recent reelection in her society. Directors of the order attended, and also Mrs. Roy Cochran, wife of the Nebraska governor; Mayor and Mrs. Roy Towl of Omaha; De E. Bradshaw, president Woodmen of the World, Omaha; and Mamie E. Long, national secretary Woodmen Circle.

Makes Managerial Changes

The Woodmen Circle has made several changes among state managers. Miss Blanche E. Dakin replaced Mrs. Mae B. Sinclair, resigned, as Iowa manager. Mrs. Mabel Lindgren becomes North Dakota manager; Miss Pearl Fisher, South Dakota manager; Mrs. Anna Vampe, Connecticut and Rhode Island manager, and Mrs. Hattie Flag and Mrs. Elizabeth Loessler will supervise New York.

Name Three Managers

Three state managers have been appointed by the Ben Hur Life in Indiana, G. G. Clough, Bloomington, for southern Indiana; P. R. McCarty, Anderson, for central Indiana, and H. L. Spencer, Peru, for the northern part.

Texas Fraternalists Meet

The Texas Fraternal Congress will hold its annual meeting in Dallas, Nov. 12-13. R. E. Miller, state manager Woodmen of the World, is president and John H. Cullom, secretary-treasurer.

Rally in New England

The annual meeting of the New England Fraternal Congress will be held Nov. 20 in Boston.

Walton Succeeds Temple

Fred Walton has been appointed by the A. O. U. W. of North Dakota as Iowa manager succeeding P. N. Temple, resigned.

Robinson Named Manager

C. D. Robinson has been appointed manager for Washington and Oregon by the Independent Order of Foresters, Toronto. He formerly was New York City manager for the society.

Hoskins Colorado Manager

Carl C. Hoskins has been appointed Colorado manager by the Homesteaders of Des Moines.

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SALES IDEAS AND SUGGESTIONS

Larger Saving to Estate Possible by Tax Arrangement Now

Large savings made possible by making an estate arrangement before Jan. 1, when the new U. S. gift tax law goes in effect, are shown in the monthly publication of the Harris Trust & Savings Bank, Chicago.

"One approved method of reducing tax liability to the minimum is by the creation of irrevocable trusts during life," it is stated. "A well planned trust will not only result in curtailing income taxes of the trustor during the remainder of his life and estate and inheritance taxes at his death, but may also effect such savings in the estates of the beneficiaries of the trust. Of course, where a large amount of property is involved, a gift tax will be payable. But since the rates of gift tax are always less than the rates of estate tax, and since two specific exemptions (namely, for gift tax and for estate tax) will be allowed in-

ing will be at least this large in any state of the union, as well as in the District of Columbia and the several territories. In states which impose heavier than average inheritance taxes, the saving may be much greater.

"To obtain the saving where gifts are not made until 1936 or later, subtract from the saving shown in column VIII the difference between the corresponding amounts in columns IV and V."

The computations are based on the assumption that gifts are made to three beneficiaries, and the donor previously made no taxable gifts.

"Life insurance has long been recognized as an appropriate means of providing for the payment of estate and inheritance taxes. By the payment of comparatively small annual sums during his life, the owner of even a large estate

where the insurance, itself, becomes subject to the tax. For example, a resident of New York receiving an annual return of 3½ percent (\$105,000) from realty and corporate bonds valued at \$3,000,000, cannot at age 50 purchase sufficient insurance (if the proceeds are added to his taxable estate) to pay the federal and New York estate taxes which will be due at his death, without impairing his capital."

A tabulation is shown, the federal and New York estate taxes being estimated at least \$936,600; tax on insurance of \$853,612, or total estate taxes \$1,790,212. Available income is: Annual net income \$105,000; less federal income tax \$35,538 and New York income tax \$4,437 or \$39,975, leaving income after taxes \$65,025. The amount of insurance required to pay estate taxes if original estate is to be transmitted intact to beneficiaries is \$1,790,212, the premium (net non-participating) at age 50 on ordinary life form being \$68,172.

"Thus, even if no allowance is made for living expenses, the income of such an individual is \$3,147 too small to enable him to transfer his entire estate at death, undiminished by taxation, under the older methods of distributing estates and arranging for the payment of taxes thereon.

Possible Solution Is Explained by Bank

"If, however, the insurance can be arranged so that the proceeds will not be taxable, then only \$936,000, instead of \$1,790,000, will be needed, and the required premium will be only \$35,643—a sum well within the insured's income. Such a result, it is believed, can be attained by placing the insurance in an irrevocable trust for the benefit of a wife or other individual, and giving to the trustee discretionary authority to invest the proceeds in assets held by the estate at the time of the insured's death.

"The insurance trust will not only reimburse the beneficiaries, indirectly, for the loss arising from taxation, but by affording the estate a market will forestall any additional loss through forced liquidation."

the quotation "I think; therefore I am." The success of a sales effort depends largely on what Mr. Owen calls the "four 12s." "First the 12 feet from the prospect when you enter his office, secondly the 12 inches he sees of you when you speak; thirdly, the first 12 seconds of the interview, and lastly the first 12 words you utter." There are too many actuaries in the sales forces of life companies and they elaborate too much on cash and loan values. Mr. Owen stresses not what life insurance is but what it does. He never mentions net costs in making a sale.

* * *

AGAINST LUMP SUM PAYMENTS

If he were an underwriter he would never arrange payment of life insurance proceeds to beneficiaries on the lump sum plan, Donald Kipp, Detroit attorney, told the Detroit Qualified Life Underwriters clinic. Lump sum payments are too easily dissipated, especially by widows without business experience and by relatively youthful beneficiaries, too old to have guardians and too young to have good judgment on investments. Lump sum payment upon the death of the beneficiary becomes part of the general estate and consequently is subject to taxation. Insurance estate should not be considered as subordinate to the general estate, as the insurance estate is usually the most liquid portion of the total estate. It should be considered the primary factor and the general estate secondary. The entire estate should be built around the insurance estate rather than the reverse.

MANAGERS ASSOCIATION S

Grant Kansas City Speaker

W. T. Grant, president Business Men's Assurance, spoke to 38 members of the General Agents & Managers Club of Kansas City on "Requisites of a Successful General Agent."

O. J. Neibel, Penn Mutual, announced the C. L. U. will organize its winter class Oct. 28. J. F. Trotter, Mutual of New York, told of the Life Underwriters Association work in combating rebating, twisting and other unethical practices.

St. Louis Sales Course

The General Agents & Managers Association of St. Louis is sponsoring a school to teach fundamentals and other phases of life insurance. Sessions will be held Nov. 4-6 with Ralph G. Engelsman, New York City general agent, Penn Mutual Life, in charge. A feature of the school will be an open forum, allowing the students to ask specific questions on selling problems.

Discuss Recruiting Problem

DENVER, Oct. 31.—At the monthly meeting of the Life Agency Managers Association of Denver, Curt Schroeder, Northwestern Mutual, and P. L. Corbin, New York Life, were the speakers, both discussing the problem of recruiting agents. There were about 30 present.

Weidenborner in Detroit

F. F. Weidenborner, Jr., superintendent of agencies Guardian Life of New York, will address the Associated Life General Agents & Managers of Detroit Nov. 5 on "The Results of Agents' Rating Charts."

The Life Managers Association of Los Angeles held a luncheon and golf game with John W. Yates, Massachusetts Mutual Life, as host.

I	II	III	IV	V	VI	VII
\$0	\$600,000	\$0	\$0	\$103,400	\$103,400	\$0
65,000	535,000	0	150	88,450	88,450	14,950
100,000	500,000	600	1,875	80,400	81,000	22,400
200,000	400,000	7,350	12,938	58,600	65,950	37,450
300,000	300,000	17,400	26,700	38,600	56,000	47,400
400,000	200,000	29,400	41,700	19,800	49,200	54,200
465,000	135,000	37,200	51,675	8,900	46,100	57,300
500,000	100,000	42,188	57,713	4,200	46,388	57,012
560,000	40,000	50,738	68,063	0	50,838	52,662

stead of a single one, the aggregate saving will be large in spite of the gift tax.

"Furthermore, inasmuch as the revenue act of 1935 increased the rates of estate tax, and reduced the exemption thereunder, applicable to estates of all decedents dying after Aug. 30, 1935, but did not alter the rates of tax nor the deductible exemptions pertaining to gifts made before Jan. 1, 1936, the possible saving is much greater where such a trust is created on or before Dec. 31, 1935.

"While a \$600,000 estate is used for illustration, an analogous saving will accrue to any estate which is valued at more than \$40,000. Persons contemplating the making of gifts should remember, of course, that future changes in the law may either decrease or increase the saving shown.

Figures in Table Are Explained

"The value of the estate is \$600,000 after all deductions except the specific exemption of \$40,000, but before the elimination of the value of any gifts made during life.

"Column I shows the value of gifts of varying amounts which may be made from the taxable estate. Column II shows the taxable estate remaining after deduction of the amount of the gifts shown in column I.

"Column III shows the gift tax, for gifts made in 1935, on the value shown in column I, after deduction of three personal exemptions (\$5,000 each) and a specific exemption of \$50,000 (total deduction \$65,000). Column IV shows the tax that will be payable on a similar gift which is not made until 1936 or subsequent years (the specific exemption allowable for 1936 and subsequent years is reduced to \$40,000, and the total deductions, therefore, are only \$55,000).

"Column V shows the estate tax payable on the remaining estate shown in column II. Column VI is the total of the taxes shown in column III and V. Column VII shows the minimum saving; if gifts are made this year the sav-

ing will be at least this large in any state of the union, as well as in the District of Columbia and the several territories. In states which impose heavier than average inheritance taxes, the saving may be much greater.

"In the case of large estates, however, the revenue act of 1935 has rendered it practically impossible for a testator to pay for sufficient insurance out of his current income to meet even the death duties on his property, particularly

BUSINESS STIMULATORS

PAID BY CASE, EATS BY YEAR

"The Field Man's Problem Today," was discussed by Grant L. Hill, director of agencies Northwestern Mutual Life, before the Life Underwriters Association of Los Angeles. The problem of the agent today is to bring himself to realize that the agent is paid by the case, but he eats by the year, and unless there are enough cases he just cannot be successful. One-fourth of the agents produce three-fourths of the business. Three out of every four agents in the business today are not operating more than 50 percent efficiently, and that is why they are in the three-fourths group that produces only one-fourth of the business. They do not realize that there are things to be done if they are to be successful. A survey made in September, covering 500 cases aggregating \$2,500,000 of business written in western and Pacific Coast states, shows 66 percent of the cases closed were new prospects to the agent, while 34 percent were old prospects. An agent's activity accounts for 60 percent of his business, said Mr. Hill, while leads secured from others accounted for 40 percent. Twenty-seven percent of sales in the survey were made in the first interview, 32 percent in the second, and 20 percent in the third interview—a total of 79 percent from the first three interviews. The fourth interview was only 6 percent, and

the fifth interview 1 percent, and the obvious deduction was drawn. Thirty-one percent of the prospects had been known less than one year by the agent, 24 percent one to five years, making a total of 55 percent of the business which came from prospects known five years or less, indicating that over half of the agent's business written in 1940 will be on contacts made between now and then. A most interesting fact was that 29 percent of the sales were made prior to the months in which the age changed, which was better than the total for any other three months. Three broad classifications as to needs were drawn: 75 percent purchases for family protection, 16 percent for retirement, and 9 percent for business purposes.

* * *

BE POSITIVE THINKER

"You must be a positive thinker to be a success in life insurance selling," Ernest W. Owen, Detroit manager Sun Life of Canada, declared in a talk on "Making the Sale" at a meeting of the Life Underwriters Association of St. Louis. The essence of salesmanship consists of taking things from where they are and putting them where they ought to be. He said that he is a tremendous believer in positive thinking; that life is thought, and that if a person thinks only of big and wonderful things he will be successful. He cited

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C.L.U. NEWS

FORM HOUSTON CHAPTER

The six life men of Houston holding the C. L. U. degree have formed a chapter, as part of the national organization. This is the first local chapter in Texas, Houston being the only city in the state with the required six members to constitute a chapter. There are 19 C. L. U. in Texas, Dallas having four. The Houston chapter is the 28th local organization in the country. Homer G. Hewitt, state manager Northwestern National, was elected president; E. A. Gross, Pacific Mutual, vice-president; Clarence Darling, Connecticut Mutual, secretary-treasurer.

The chapter will hold a two-hour breakfast meeting each month, beginning at seven. The C. L. U. study classes beginning Nov. 5 under Professor L. L. Rupert of the University of Houston will be sponsored by the chapter.

* * *

ELECT McCANN IN INDIANAPOLIS

Carl McCann, Northwestern Mutual Life, has been elected president of the Indianapolis C. L. U. chapter. He succeeds Edward A. Krueger. Francis D. Brosnan, assistant superintendent of agents Indianapolis Life, was chosen vice-president. Lowell L. Holmes, Research & Review Service, was reelected secretary-treasurer.

* * *

CHICAGO CHAIRMEN NAMED

Committee chairmen of the Chicago chapter of C. L. U. have been appointed by President Frederick Bruchholz. They are: Membership, S. A. Kent, Prudential; program, L. M. Buckley, Provident Mutual; education, A. J. Johannsen, Northwestern Mutual; publicity, Talmage Smith, Mutual of New York; reception, E. M. Schwemm, Connecticut General.

* * *

CLEVELAND CLASSES

The Cleveland C. L. U.'s have completed final plans for study classes, which start Nov. 7.

* * *

BIG ENROLLMENT IN COURSES

Thirty-five agents attended the opening class this week in the C. L. U. review course for the June, 1936, examinations, Parts I, II and III, conducted on McKinlock campus, Northwestern University, Chicago. The review course for Parts VI and V will start Jan. 3. A. J. Johannsen, Northwestern Mutual Life, is director. Forty are enrolled in the second course. The university, according to Mr. Johannsen has prepared more agents for the examinations than any other school in the country.

* * *

McTAGGART NEW PRESIDENT

Glen McTaggart of the Prudential was elected president of the Denver C. L. U. chapter at its annual meeting. William Goebel, Northwestern Mutual, is vice-president, and E. W. Melville, Aetna Life, reelected secretary-treasurer. New members elected were Earl Davis, Provident Mutual; Clark Comin, Prudential, and Mr. Goebel.

* * *

H. C. Blackwell, president Union Gas & Electric Co., Cincinnati, addressed the Cincinnati C. L. U. chapter on "Utilities."

To Take Over Veterans National

The Ohio insurance department has filed suit to take over the Veterans National Life of Columbus, a small assessment company. It will be reinsured by the Central Assurance of Columbus.

W. G. Kaltenbach, former superintendent of agencies of the Western & Southern Life, died Friday at the Veterans Hospital, Dayton, following a nervous breakdown resulting from a war injury. He had been with the company since Dec. 18, 1916, and recently was manager of the Dayton district office.

Insured in Rush to Escape Gift Tax

(CONTINUED FROM PAGE 1)

years, of say, \$500 each year. The insured dies and the assignee collects the face amount, \$10,000. He must include as taxable income \$10,000 less the \$5,000 he paid for the policy, less the \$1,000 he laid out in premiums, or a taxable income from this source of \$4,000.

What to do about policies which have been assigned to relatives where the real consideration was love and affection, yet the standard assignment form specifying "one dollar and other valuable considerations" was used is an unsettled question. As previously mentioned, the Treasury Department will undoubtedly take the real facts into account and not take advantage of the literal form of the assignment to levy a tax where none was intended to apply.

While it would be desirable to avoid even the possibility of tax complications, it is believed that if the present assignee were to assign the policy back to the original holder, and then receive it back under a "love and affection" form, gift tax complications might arise from this promiscuous giving, returning, and re-giving of policies which would make it far wiser to take a chance on whatever complications might arise from the income tax angle.

In one case an assignor whose insurance already had been assigned on a "one dollar" assignment form although there was actually no material consideration, filed a letter with the company stating this circumstance. How effective a preventive of tax complications this will prove remains to be seen.

From a home office point of view it is desirable to have "love and affection" assignments made on a form which so states, as otherwise the company is put to the trouble of reporting to the government the payment of such assigned policies on maturity.

Salt Lake Wildcat Operator Is Indicted for Mail Fraud

SALT LAKE CITY, Oct. 31.—H. D. Gannett, 34, has been indicted by the grand jury on the charge of using the mails to defraud in connection with the operation of three non-profit cooperative associations: the Fraternal Mutual Benefit, organized in Nevada in 1932; the Western Life Association, organized in Delaware in 1934, and the Western Mutual Benefit, organized in Delaware last January. Operations of these organizations were conducted from Salt Lake City by mail, the indictment charges. The indictment has seven counts, and includes letters allegedly sent by the defendant to persons in Idaho, Michigan, Wyoming, Georgia, Virginia and Missouri.

The Utah state insurance department is cooperating with the federal authorities in the case. "We were getting ready to take action against the man when the federal officials stepped in," said C. N. Ottosen, assistant commissioner. He said that the defendant did no business in Utah, but worked through agents and the mail in other states, thus making it difficult for the state insurance officials to act.

Effective Date Controls

The U. S. Supreme Court refused to review a case involving the Travelers against which a suit had been brought for recovery under the disability provisions of a policy on which the initial premium only had been paid, following disability resulting from an accident occurring more than a year but less than 13 months after delivery of the policy, but more than 13 months after the effective date as determined by the court. The policyholder contended that delivery of the policy should determine the running of the various clauses, but the circuit court of appeals for the sixth circuit held the effective date to control.

SALES DRIVES

SALES DRIVE A LA CHINESE

The southern California agency of Los Angeles, of the Connecticut General Life, Walter G. Gastil, manager, is engaged in an unique three-month contest which ends Dec. 31. Following the Chinese custom of getting all bills paid before the New Year, in order to start Jan. 1 with a clean slate, a feature of the campaign is to get all self-assumed quotas completed before the end of the year, this being termed the clean-up period. The slogan for the special effort is "Wash Your Dirty Linen," and the agency is divided into two Chinese tongs, one known as the "Washum Quickee Tong," and the other the "Muchee Washee Tong." Each tong is affiliated with a laundry by the same name and as business is produced bundles of finished laundry are placed on the wash rack. The agency quarters are decorated in Chinese fashion, with urns of incense and punk burning in the room. At the end of the campaign the winning tong will be given an elaborate Chinese dinner.

* * *

B. M. A. FOOTBALL CONTEST

President's Month in November, in honor of W. T. Grant, will take the form of a football contest for Business Men's Assurance salesmen. Each branch constitutes a team and opponents are branches whose production is the nearest equal. Territories under home office supervision have been divided into two teams, the Wolverines and Coyotes. Branch managers are coaches. The leading producer will become captain of his team, and will become a member of the president's team at the end of the contest. Thus the game will have its "All American."

* * *

OCTOBER APPLEBY MONTH

October is set aside annually by the Ohio National as president's month in honor of T. W. Appleby. The volume on Appleby's birthday, Oct. 2, was the largest for any single day in history. Last year production for the month was \$3,800,000. It is expected this figure will be exceeded by 10 percent. A cut out "red apple," signed by the agent, is sent in with each application. At the beginning of the week there were 1,550 red apples received.

Service Life Moves to Its New Home Office Quarters

OMAHA, Oct. 31.—The Service Life officially moved to its new home office at Eighteenth and Farnam streets, Monday. The new location brings the company near the heart of the city. The office, one of the most modern structures in the city, was open for public inspection every evening this week.

The assets of the Service Life as of Sept. 30 were \$4,529,106 and has \$23,600,000 insurance in force. Since organization the premium income has increased from \$100,000 to \$1,000,000 annually.

John A. Farber is president; Lloyd Dort, first vice-president and counsel; Harold P. Farber, secretary; Dr. E. B. Simmons, medical director.

Wants U. S. Law on Wildcats

BOSTON, Oct. 31.—Alleging there are 160 out-of-state unlicensed companies which sell approximately \$2,500,000 of "bootleg insurance" through the mail in Massachusetts and that the practice results in the loss of nearly \$75,000 in taxes and hundreds of thousands of dollars to policyholders, Commissioner DeCelles has announced that he will appeal to the federal government to stop such companies from using the mails. Legislation to this end will be presented at the next congress by Congressman John P. Higgins.

RECENT COURT DECISIONS

Agent Fills Out the Blank

Assured Makes Company Agent His Own Agent and Insurer Absolved of Liability

An assured, who signs, without reading the terms of an application for reinstatement, thereby relying upon the insurance agent to fill out the blank, makes the company's agent his own agent for that purpose, the New York court of appeals declared in holding for the insurer in *Axelrod as executrix vs. Metropolitan Life*.

The assured died one month after the policy was reinstated. The assured at the time of reinstatement was suffering from the disease which caused his death.

There was controversy as to whether the insured actually gave the answers in the application for reinstatement. There is evidence that the insured, while sitting in an automobile signed the application without reading it and that at that time there was nothing but printed matter upon the paper. The question presented upon appeal is whether an assured is bound by the answers in an application for reinstatement of a policy signed by him in blank, though, in fact, such answers were never given by him and the agent of the insurer thereafter, without knowledge of the insured, inserted them in the application.

The court of appeals held that the applicant knew that the reinstatement would be made only upon his signed application. He chose to sign without reading the terms.

Disease Caused by Accident

Must Pay Double Indemnity for Death Due to Degeneration of Liver Induced by Fall

The double indemnity provision, according to the United States circuit court of appeals, 8th circuit, (Nebraska) in *Mutual Life of New York vs. Still* does not exclude a death resulting from a disease directly and solely caused by an accident. Accordingly judgment was entered against the insurer.

The insured, in an accident, was thrown heavily upon his back onto a cement floor. Within a few days he became acutely ill. He died of degeneration of the liver. He had a chronic inflammation of the gall bladder and gall stones. The Mutual Life argued that even if the accident was the sole cause of the degeneration of the liver, the Mutual Life was not liable for double indemnity, since the degeneration of the liver was a disease.

The court declared it cannot be said that it conclusively appears from the medical evidence that the degeneration of the liver was not due to the accident, but was caused, in whole or in part, by infection from the gall bladder. This was a question for the jury.

Can't Demand Annual Premium

Where the assured, under a contract, has the option to pay premiums on an annual basis, or, on an anniversary date of the policy, to elect to pay on a semi-annual or quarterly basis, and where the last payment was upon a quarterly basis, the company cannot declare the policy lapsed for failure of the assured to meet a demand for an annual premium, according to West Virginia supreme court of appeals in *Stalnaker vs. Lincoln National Life*. The assured had changed from an annual to a quarterly basis and the company had accepted a number of quarterly payments.

Disability for Deafness

Question of Whether Infirmary Entitled Assured to Benefits Properly Submitted to Jury

Under a judgment entered by the South Carolina supreme court, an assured is to collect disability benefits from the Equitable Life of New York on account of total deafness. The case was *Hall vs. Equitable Life*.

Hall was part owner of a retail shoe business and had never been trained for anything else. His hearing was badly affected at the time he obtained the insurance and he claimed total disability from about a year after the first policy was issued.

The testimony was that the physician making the insurance examination knew of Hall's condition and Hall testified that for that reason he was "rated up."

The supreme court held that the issue as to whether Hall's deafness prevented him from doing substantially all of the material acts necessary to the prosecution of his business, in substantially his customary and usual manner, was properly submitted to the jury. The Equitable Life undertakes to raise the question that the deafness occurred prior to the issuance of the policy and therefore

no liability exists. But this question, according to the supreme court, was not raised in the trial court and therefore cannot be considered by the supreme court.

Rights of Wife Not Affected

Named as Beneficiary Subject to Prior Assignment to Bank — Joinder Doesn't Defeat Her Right

Where a wife is named as beneficiary, subject to prior assignment to a bank, the joinder by the wife in the assignments of the policies to the bank does not defeat or affect her right, as beneficiary, in the excess of the policy proceeds above the indebtedness to the bank. This is the decision of the Connecticut supreme court of errors in *Allen vs. Home National Bank, admn.*

The assignments to the bank were absolute in form and were executed jointly by Smith and his wife. Subsequently, Smith executed another change of beneficiary form, naming his wife subject to prior assignments to the bank. The policies contained the provision: "Provided this contract is not assigned, the insured may at any time change the beneficiary, to take effect only when such change and the written consent of

the company thereto are endorsed."

After Smith's death, the bank collected the money and Allen, a creditor of Smith's estate, claimed that the excess proceeds should be inventoried as part of the estate. The court below held to the contrary.

Each notice of change of beneficiary stated that the insurer consented to the change upon the conditions set forth. The insurer, by consenting to the changes of beneficiaries in the form in which they were made, waived the limitation that no such changes could be made if the policies had been assigned.

Community Fund Argument Doesn't Get Money for Wife

Against the contention of the widow that she is entitled to the proceeds of a policy on the life of her husband because the premiums were paid with community funds, the Washington supreme court has held that the insured's father, the named beneficiary, was entitled to the proceeds. The case was *Johnston vs. Johnston et al. The Mutual Life of New York was the insurer*.

Mrs. Johnston was the original beneficiary, but the insured later made his father the beneficiary.

The first premium was paid with community funds and Mrs. Johnston contends that the community composed of herself and husband then acquired a vested interest in the policy; that the policy being community property, her husband could not give it away.

The supreme court held that the change of beneficiary was made for an adequate consideration. During his last illness the insured was cared for in the home of his parents and Mrs. Johnston also lived with them. The son acknowledged the pecuniary obligation and manifested his intention of discharging it by transferring to his father the only resource at his disposal.

Ptomaine Poisoning Not "Poison"

The Tennessee supreme court has decided that ptomaine poisoning due to the partaking of tainted food through mistake is within the terms of the double indemnity provision. The case was *Hahan vs. Home Life of New York*. The exclusion clause provided there should be no double indemnity benefits if death resulted from poison. However, the supreme court held that death "by poison" to the ordinary men means death resulting from taking of some substance commonly classed or called a poison. The average person reading the policy would never suppose that bacterial infection from eating tainted food was included in the word "poison."

No Double Indemnity

Overruling the lower court, the North Carolina supreme court has held for the Aetna Life, which resisted payment of double indemnity for death the week after the assured had a tooth extracted. The case was *Scott vs. Aetna Life*.

The court held that if a tooth is extracted, upon request of the assured, by a competent and skillful dentist, the performance of the operation in the usual and ordinary manner, and thereafter an embolus developed from infection, producing death, the beneficiary cannot recover double indemnity. Undoubtedly, the court said, the assured met an accidental death, but the determinative question is whether such death was produced by external and accidental means, etc. The experts were unable to say whether the embolus developed from the extraction of the tooth or a subsequent operation and consequently the real cause of the death is left in fog and conjecture.

Courts Rule Application Not Binding

A life insurance application should be a contract binding to some extent, just like any other contract, writes in a life agent who states that his local association contemplates suit against an applicant involving commission on life insurance.

"This is one of the evils which life insurance men have to contend with, but usually there is nothing done about it," the communication states, "The issue is not simply the amount of commission involved in dollars and cents, but rather the principle. If the case is won it would be of benefit to life insurance men generally. The suit would be for an amount of money equal to the commission which would have been paid the soliciting agent had the assured accepted the policy."

Is Common Experience

In this case application was made in good faith for a single premium policy and was promptly approved by the company. Immediately after medical examination was completed the applicant learned that a relative represented another life company and informed the first agent that while the other had never solicited him and therefore was not actually entitled to the business, nevertheless the applicant would not accept the policy first applied for. This is a common experience of life agents, but unfortunately according to insurance lawyers, there is little if anything that can be done to correct it where the premium has not been paid and the policy not delivered.

General Trend of Decisions

According to the law of contract and many life insurance decisions, the application is an offer by the assured, the understanding being that the terms may be accepted, modified or declined. If the premium is tendered with application, acceptance of the risk by the company completes the contract. If the terms are modified by the company accepting the risk for another form, rating up, etc., this constitutes a return offer by the company, which must be accepted by the applicant before the contract goes in force.

The decisions generally hold that the life insurance contract is not completed

until it is issued on the form applied for (or accepted by the applicant on a changed form) and the premium is paid. There are a number of decisions holding that the agent can extend credit to the applicant and thus can bind the company on the risk, and other decisions are that delivery of the policy by the company to the agent unconditionally, is delivery to the assured.

There is nothing in the application binding on the company, although some cases hold the company must act on the application within a reasonable time. Many companies, of course, have a binding receipt form in the application which states that if the premium is paid with application and the risk in normal course of business would have been accepted, the company will be liable even though policy is not issued and delivered.

Provisions Apply Equally

It is a rule of contract that the terms must apply equally to both parties. Therefore the application which is not binding on the company cannot bind the applicant. If it could be shown the company had acted in good faith throughout, had issued the policy, placed it in force and had it delivered, an action would lie against the applicant for the premium. However, action against the applicant for agent's commission is said by insurance lawyers to be untenable as the agent looks to his company for commission.

Unfairness of Argument

It is believed unlikely that courts would hold an applicant liable for premium merely because he had applied, but not paid for or received the policy. There are many thousands of "not taken" policies in the life insurance business every year, and in fact a great many agents offer to difficult prospects policies "on inspection," with no obligation attached. If courts should rule applicants are bound to pay the premium merely because they apply for a policy, obviously an agent could offer to many prospects policies on inspection, but making sure there were no witnesses to the offer, and then take the cases before a jury to decide who was telling the truth.

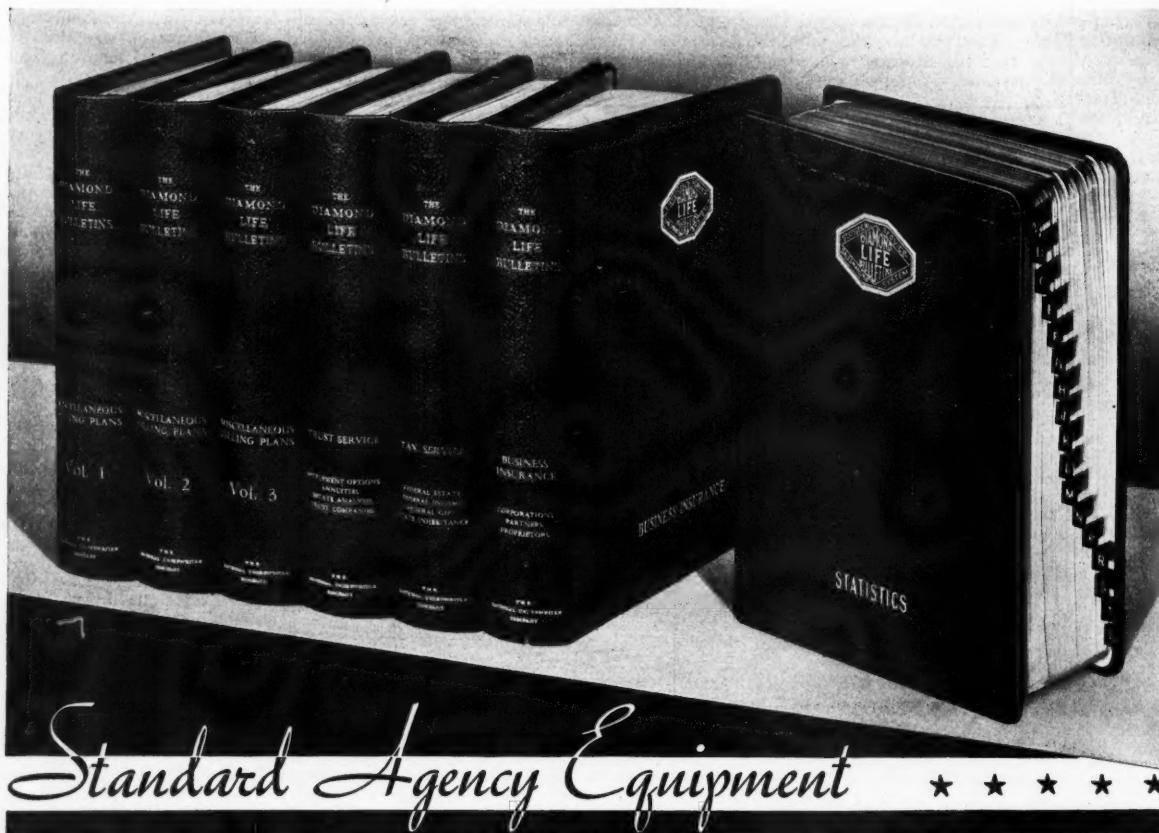
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